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MARTINEZ DE HOZ EXHORTS NATION TO BACK ECONOMIC POLICY

Buenos Aires LA PRENSA in Spanish 19 Jan 80 p 1

[Text] Salta (NA)--The minister of economy, Dr Jose Alfredo Martinez de Hoz, gave assurance that his ministry's program would end this year, and "then the country will be able to assess the results of President Videla's administration," according to statements published in the city. In an interview published in the newspaper EL TRIBUNO, he remarked: "If we persevere, within a few months there will be confirmation of the favorable trend that we have been noting since the final quarter of 1979."

Martinez de Hoz also claimed that the Argentine Armed Forces "are resolved to back an economic program which is sacrificing the short term and making deepseated changes which can be evaluated over the medium and long term."

He said: "In order to carry it out, time and political determination are required. I would call it political courage. The present military commanders possess both qualities. In the past, others were lacking in time and courage. This time, both conditions have occurred together. And that is, in my view, what typifies this process."

Mentality of the Past

In a dialog with the Salta morning paper, he refuted recent statements made by former President Alejandro Agustin Lanusse, who claimed that no political party would dare turn Martinez de Hoz' program into an electoral platform.

The minister retorted: "Some people still have the mentality of the past. They cannot believe that victory in an election can be sought without resorting to demagogy."

He added: "We believe that, when the elections come, the one who wins the most votes will be the person who proposes continuing along this path which has proven to be the most feasible."

Martinez de Hoz emphasized that his team's slogan has been "to make the economy sincere;" noting that "the politicians should do so too: be sincere with the people, and not keep deceiving them."

He added that 1980 "will be a difficult year, because a major effort is still needed so as not to ruin what we have done in 3 years; but a happy one, because we shall finally see the results of the economic program."

Results and Protests

When asked whether the results would not be fortunate for some and difficult for others, he replied: "This is one of the kinds of over-simplification to which Argentines succumb at every turn. We have said more than once that if anything concerns us it is distributing the effort equitably among all sectors of the community.

He added: "The best proof is the fact that everyone is protesting. I would be worried if only one person protested. If everyone protests, it means that the effort has been distributed."

Martinez de Hoz stated: "We are demanding the final effort of all sectors, and we cannot make exceptions on behalf of any of them, because that would be detrimental to others; although we are very well aware of the fact that some are in a better position than others to cope with it."

The minister of economy said that the use of the phrase "economic openness" is made "in the broadest sense of open-mindedness;" because, "for 30 years, Argentines have been clinging to a way of thinking that has led them to disappointment and failure."

Fears

He was emphatic in stating: "They have been afraid of competition and life. If we succeed in proving that our economy is growing in a sound and lasting manner with different ideas and different procedures, and without fears or inhibitions, according to the rules of the open, competitive market, then this open-mindedness which will allow us to return to the exercise of democracy will occur."

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ARGENTINA

NEW WAGE POLICY BECOMES EFFECTIVE 1 JANUARY

Buenos Aires CLARIN in Spanish 14 Jan 80 p 5

[Article by Claudio Polosecki: "The Wage Policy"]

[Text] Last week, although they were partial and official, the guidelines for the wage policy during 1980 were made public, including, for the first month of the year, the granting of a special increase of about 15 percent in the basic amounts in the contract, in addition to the 4 percent monthly accrual which was in effect during all of 1979 and which will remain so.

It was also learned that, starting on 1 January, the minimal living wage will be increased to 250,000 pesos; which represents a rise of nearly 29 percent in comparison with the total of 194,000 pesos which that allocation had reached in December.

Now with this information a preliminary assessment can be made of the wage policy carried out by the government last year which, if the published data are confirmed, was reflected in the granting of higher totals of about 147.7 percent during the period between December 1978 and January 1980. In the event that the increase for the first months of this year is only 15 percent and not 19.7 percent (which would result from adding the special increment to the established 4 percent per month), the total increase would amount to nearly 137.8 percent.

To be sure, these figures must be compared with those occurring as a result of the increased cost of living, which in 1979 reached 139.7 percent, and which, when added to an estimated rise of 5 percent for January, would reach a total of 151.7 percent during the previously considered period.

Then the difference between the rise in prices and in inflation would be a negative 2.6 percent, in the event that the wage hike in January is 19.7 percent, and 9 percent less if only 15 percent is granted.

Upon analyzing these figures, one notes, initially, that despite the effort expended by the heads of the Ministries of Economy and Labor to keep wages apace, even though with a lag, with the changes in inflation, the latter has

won the battle again, even without considering the marked decline in income from work which occurred during immediately previous fiscal years.

In view of this, it may be argued that the differences found between the rise in inflation and basic wages could be covered as a result of the freedom granted to business owners to agree, virtually without limits, on increases above those indicated on the contract scales. But this does not actually apply to the workers in industries which are experiencing periods of low income return or in direct danger of abolishment because of the competition from imported products.

For this reason, it is considered possible that, in the special increase based on wage schedules that will be announced this month which, as has been noted, will fluctuate around 15 percent, a few points above that average may be granted to the sectors which, in trade union jargon, are in the most "sunken" categories of the wage spectrum.

Something like this must have come up in the talks held last week by the heads of the General Confederation of Business Employees, one of the unions wherein "flexibility" has a virtually nonexistent application insofar as the minister of economy, Jose Alfredo Martinez de Hoz, is concerned; despite the subsequent comments by the head of the Labor Ministry to the effect that at this meeting "trade union problems were not analyzed."

Adaptation to the Law

Together with the disclosures made on the wage policy, another report was also released officially regarding the manner in which the military interventors will handle the adaptation of the current structures of the organizations for which they are responsible to the requirements of Law 22,105 on Workers Trade Union Associations which, as we know, does not call for the existence of unions with jurisdiction throughout the country such as that possessed by the metal workers, textile workers and machinists unions, and others ranking among the most important in the country.

It was learned that several interventors from some of these unions plan to submit simultaneously, at the end of January or the beginning of February, two petitions for jurisdiction. One will be signed by the head of the organization, and will submit the territorial subdivision requested by law, and the other will be submitted by the members of the union who want this, and will request the maintenance of the present structure.

In the latter instance, the stipulation is made that the workers will put in writing the necessary reservations for being able to resort to the courts in the almost completely predictable instance of a negative response on the part of the National Board of Professional Associations, and even going so far as the Supreme Court of Justice of the Nation.

In other organizations, such as the Metalworkers Union, an intermediate mechanism would appear to have been put into effect, calling for the two aforementioned possibilities, through the formation of a consulting committee consisting of several heads of the union, aimed at conveying the concerns that the situation poses.

The period of time for submitting the requests seeking the establishment of new areas of activity expires at the end of February, following which the entity headed by auditor Lt Col Alberto Luis Borla has 90 days in which to respond with either a concession or a denial.

However, there is every reason to assume that the final negotiation of this process will take place before the courts, as soon as the specific pronouncements in each case have been made by the Ministry of Labor.

These dynamics could have a critical effect on the action that both the government and the trade unionists will promote in the ILO during the debate which is certain to come up regarding the legislation passed by the Argentine authorities.

This is so because the decision to leave in the hands of the judges, from whom both sides acknowledge their independence, the final decision on the legality of the new trade union regulations affords a "depoliticization" of the matter, and the possibility of countering with these arguments any criticism that may be made in the international entity.

Increases in Basic Wages

<u>Month</u>	<u>% of Increase</u>	<u>Index</u>
December 1978	-	100.0
January 1979	4	104.0
February 1979	4	108.2
March 1979	4	112.5
April 1979	4	117.0
May 1979	19.7 (4 + 15)	140.0
June 1979	10.2 (4 + 6)	154.3
July 1979	10.2 (4 + 6)	170.1
August 1979	4	176.8
September 1979	4	183.8
October 1979	4	191.1
November 1979	4	198.7
December 1979	4	206.6
January 1980	19.7 (4 + 15)	247.7

(Estimated figures)

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ARGENTINA

ADEPA HARSHLY CRITICIZES MARTINEZ DE HOZ

Buenos Aires LA PRENSA in Spanish 20 Jan 80 p 4

[Text] Cordoba (NA)--The president of the Argentine Newspaper Owners Association (ADEPA), Carlos Ovidio Lagos, editor of Rosario's LA CAPITAL, predicted here the beginning of a hard legal battle in the administrative and judicial areas on the part of the entity against the imposition of the 47 percent tax on imports of newsprint, after reiterating that this tax "violates the constitutional principles relating to the essence and raison d'etre of freedom of the press."

Dr Lagos was interviewed by the local morning paper, LA VOZ DEL INTERIOR, and his statements, wherein he harshly criticized the minister of economy, Jose Alfredo Martinez de Hoz, have been reprinted in that newspaper.

Lagos alluded to Martinez de Hoz first tacitly, and later directly; and described the steps taken by ADEPA to counter the government's levying of the aforementioned tax.

He said: "What is most important is that an opinion has been formed, as well as a concept regarding a single official who is bent on keeping vested interests and contracts in violation of public order in effect."

To back his assertion, Lagos noted that, "On Wednesday, 16 January, Minister Martinez de Hoz held a dialog with newsmen from LA CAPITAL. He was asked concretely whether the setting of a tariff on imports of paper for a newspaper is a violation of the constitutional principles of freedom of the press benefiting the mixed company Papel Prensa S.A."

Lagos continued: "The minister replied that Papel Prensa's contract had been signed by a previous government, and thus there was a situation with acquired rights as opposed to investments that the firm had made. The minister added: 'We have managed to improve a situation, as we see it, by eliminating the intensive fixing of quotas established in a decree signed by a previous government.'"

Difficult Dialog

He was subsequently asked about his conclusions regarding this dialog with the minister of economy, to which Lagos replied: "It is difficult to hold dialog with someone who does not want to listen."

Upon being asked whether he thought that the tariff levied on imports of newsprint was unconstitutional, Dr Lagos stated:

"Yes; I reaffirm this. The minister (Martinez de Hoz), who is not unaware of such things in his capacity as a lawyer, knows that a 45 percent tariff, plus 2 percent for proof of destination, is in violation of the National Constitution."

Vested Interests

When asked what the specific vested interests that he had mentioned earlier were, the editor of LA CAPITAL answered:

"Partly to justify the annoying privileges awarded to a company, they seize upon a Peronist law based on a philosophy completely dissociated from that of this government, and on the dubiously constitutional powers conferred on the minister of economy by a decree which bears the signature of Peron, (Jose) Gelbard and (Jose) Lopez Rega. Whereas the tariffs are reduced on tractors, wine, cheese and all the products from abroad, those affecting imports of newsprint are raised considerably to benefit a deficient industry which produces inferior quality at incompatible prices."

Law and Opinion

Finally, when queried about the weapons that ADEPA would use in this situation, Lagos declared:

"Only those of the law and of public opinion. The exposure of the legal violations and of facts indicating obvious misconduct; making the citizens conscious so that they will know who is who in Argentina."

He concluded by saying: "We shall tread the path of the law, first appealing to the president of the nation through the chain of command, and then to the courts, until we exhaust the course of action in the Supreme Court of Justice. Confidence in the law is what encourages us, and gives us the assurance of victory."

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ARGENTINA

EDITORIAL ASSAILS NEW TAX LEVIED ON 'PAPEL PRENSA S.A.'

Buenos Aires LA PRENSA in Spanish 20 Jan 80 Sec 2 p 1

[Editorial: "Unreasonably and Untruthfully"]

[Text] In the action taken by the governments in power there are decisions which, because of the magnitude of the harm that they inflict on the general interests, become a constant cause for concern and protest. They baffle the public and evoke reactions which are understandable owing to the injustice that they advocate and the lack of concern with which they infringe on the community's rights and guarantees. A matter which represents an annoying abuse in the administration of the present authorities is the Papel Prensa S.A. contract and the innovations that are constantly being made therein. Compounding the original error in 1972, when the first contract was concluded, are those made now, which the original one inevitably had to cause. From the outset, not only was the law violated, equity upset and an unfair, counterproductive sacrifice imposed on the society, but action was taken against what might be termed "the nature of things." In an outbreak of inconceivable irresponsibility, it occurred to the government in office during 1972 to disregard obvious facts which would bring about an inevitable failure.

Using the outworn argument of freeing us from an alleged dependence, which was also used to launch ALUAR [expansion unknown] and other similar ventures, they began this one, which has already uselessly cost about \$200 million. After granting to Papel Prensa S.A., through direct adjudication, what it had been unable to obtain in the bidding, it pursued the action which has had the virtue of uniting the opposition in the press not included in the company's benefits. We have constantly had to deal with this matter which, in time, instead of lessening the universal repudiation, has been increasing it; because there has been a concurrent increase in the privileges of Papel Prensa, and in the damage to the newspapers which are not affiliated with it.

In an editorial of 27 December of last year, we commented on the attack on the guarantee which the Constitution gives to freedom of the press, and on the spoliation carried out to the detriment of the nation's economy. On 9

January, in another editorial, we concerned ourselves with alerting the public to the unjustifiable privilege accorded Papel Prensa S.A.; to the violation of the principles which underlie the government's economic policy; to the fact that the company has been unable to produce paper of an international quality and price; to the lack of adequate publicity regarding the conversion of capital stock in which the Graiver group had a share; and to the irregularity of having brought up matters not in keeping with the grounds invoked, and having granted Papel Prensa S.A. a benefit that the contract did not stipulate.

We shall comment on the latter points now, in view of an official response to a press demand calling for immediate explanation and rectification. In fact, upon being questioned about the increased tax on imported paper, the minister of economy replied: "The Papel Prensa contract had been signed by a previous government, and thus there is a situation with acquired rights as opposed to investments that the firm had made." And he added: "We have managed to improve that situation, as we see it, by reducing the internal setting of quotas established in a decree signed by a previous government."

There is an affront to reason in the aforementioned response because, although it is true that the original contract was approved on 23 October 1972 through Decree 6,956 issued during the presidency of General Lanusse, it was later subjected to several changes, among which we might mention that approved on 31 August 1976, through Decree 1,838, which authorized the postponement of the opening of the factory until 30 November 1977, and that approved on 29 December 1977, through Decree 3,951, which authorized the extension of the postponement until 31 July 1978. The latter two decrees were issued by this government, and both bear the signature of the present minister of economy. With them, an attempt was made to preserve a contract which had expired in accordance with its terms.

The minister's response was also an affront to reason because, as we explained in the editorial of 27 December 1979, Paper Prensa S.A. has not now been deprived of the so-called "setting of quotas," in other words, of the authority to force the establishment of permits for imports of foreign paper. For that "setting of quotas" to be implemented, it would be necessary for the paper that the firm produced not to be of international quality and price; and, as anyone can observe, its quality is very inferior, and, as any consumer knows, its price is very much higher. Hence, the last change in the contract, rather than having improved it, made it considerably worse; and the best evidence of this is the protest from the alleged beneficiaries of the measure, who would be very happy if it were nullified.

The only argument, although certainly a flimsy one, that could be attempted to justify Papel Prensa S.A. is that it would supply paper of international quality and price. If the monopoly is of no use for that, Papel Prensa S.A. is of no use for anything; and that is precisely the case. No demonstration is required to prove this to the public, because soon, owing to the contract made by another government but maintained and extended by the present one, every citizen will be forced to read poorly printed newspapers that will be the most expensive in the world.

ARGENTINA

EEC EXPORTS TO INCREASE DURING 1980

Buenos Aires LA NACION in Spanish 19 Jan 80 p 6

[Text] This year, Argentina will sell an additional 5,000 tons of meat to the European Economic Community (EEC), with the advantage of not having to pay the "prelievo" (a changeable tax to protect the EEC agricultural and livestock producers) for these exports. The price of the sales would range between \$7,000 and \$7,100 per ton, FOB Buenos Aires.

After lengthy negotiations between the National Meat Board (JNC) and EEC, our country won the annual adjudication of 5,000 tons of chilled meat in the form of special cuts (loin, hip, full-cut steak, strip steak).

The exports were assigned to 12 companies which have maintained the most consistency in shipments of chilled meat to the EEC during the past 3 years.

According to a statement made by the head of the JNC, Mr Julio Chamizo, that entity "will exercise great control over these exports, with particular heed for the prime quality that those special cuts must have."

With regard to the "prelievo," it should be noted that, since it need not be paid, the only payment will be 20 percent in the form of a customs duty, plus 10 percent for the importers. This means that our country will keep 70 percent of the price of those exports.

The first shipment is planned for the 2-month period from February to March, an interval during which 1,250 tons will be shipped.

To obtain a more accurate notion of the new agreement with the EEC, it is interesting to recall that, during 1977, 8,100 tons were exported to that destination, with a value of \$16 million; in 1978, 13,000 tons, valued at \$35 million, were exported; and, last year, the figure was 6,000 tons, valued at \$29 million.

In other words, if the average for the past 3 years, 9,000 tons, is added to this new quota without the "prelievo," and if the traditional sales do not decline, this year could represent a new record for meat exports to the European Economic Community.

2909

CSO: 3010

BRAZIL

CONSTITUTIONAL CHANGES PROPOSED BY JUSTICE MINISTER

Justice Minister Proposes Amendments

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Jan 80 p 5

[Text] "The text of the constitution now in force is the result of numerous efforts and changes made down through the years, not all of which were in line with a democratic philosophy. As the democratic system begins to function in Brazil and as it is perfected, through its own operation, the constitutional text will have to be adapted to that situation.

"That statement was made yesterday by Ibrahim Abi-Ackel, the new justice minister during a group interview, in the course of which he discussed the possibility of amendments to the constitution. He recalled that "the present text is in force at a time when, by virtue of the democratic determination of President Figueiredo, we all are committed to the construction of free, lasting, and stable institutions which, at last, will give us a fully democratic life in Brazil."

According to the new minister, this structure "is not compatible, in some of its aspects, with some institutions spelled out in the constitution now in effect--hence the need for adjustments."

Speaking in the office of the Chamber majority leaders, Abi-Ackel asked for the cooperation of the press, noting that his first days as minister will be devoted to "familiarization" and requesting reporters to be "patient with me because I am not another Petronio who was a master." At the end interview, he again praised the efforts of his predecessor.

Looking into the proposal for convening the National Constituent Assembly, for the purpose of amending the constitution, he asked the following question:

"Through the National Constituent Assembly, naturally invested with the power to build the new social contract or through the promotion of the necessary corrections, using for this purpose the power of amendment inherent in the regular legislature?"

Abi-Ackel listed the following reasons for rejecting this assumption:

"I would reject the Constituent Assembly for a very simple reason: it takes place only in the history of nations when the system is done away with in order to give rise to a new order. This happens when a republic follows a monarchy and that is when a Constituent Assembly is justified. The end of the New State, with the return to democracy in 1946, created the need for a Constituent Assembly to draft the new social contract. How therefore could one talk in terms of a Constituent Assembly when the administration of President Joao Figueiredo, now in full swing, with masterly skill, conducts a process of democratic constitution which the Brazilian nation is following and grasping?"

In his opinion, "the corrections that may become necessary, in the course of the process of returning to democracy, can be promoted through the National Congress, through the power of amendments."

He mentioned the proposals coming from the Chamber and Senate leadership, "in terms of restoring the prerogatives of the legislative branch," as contained within that power of amendments.

Ibrahim Abi-Ackel finally made it clear that he was not thinking of a new Magna Carta:

"This however would not be a new Magna Carta. We would always wind up with the power of amendment which would have an effect on issues which might accidentally clash with the functioning of the democratic institutions."

The new justice minister does not believe that the large number of proposals for constitutional amendments would necessarily lead to the drafting of a new Constitution:

"I am asking myself this question: after we have drafted a new constitution, which would take care of all of those imaginable desires and whims, would that mean the end of any new amendments? Submitting such amendments is part of the routine duty of a member of parliament. This is a good thing because there is always some good in those steps. What is not possible is to run the constitutional amendment through the ordinarily legislative process because such an amendment has to be drafted with great caution, as part of a long filtering and maturing process."

Questioned by reporters, he repeated finally:

"In the course of the process of creation of Brazilian democratic institutions, there will be a need for a rectification of the current constitutional text. What those rectifications are going to be and what institutions they will involve is something that only the development of the process itself can tell us something about."

Ibrahim Abi-Ackel also talked at length about the current rise in urban violence.

"Brazilian growth has caused disarray in all areas of society. Not just in the economy, regarding private industry or the price rise, and not just with respect to housewives. Everything has brought about profound mal-adjustments, caused by that gigantic phenomenon which we call urban growth or the population explosion in our urban communities."

In his opinion, "the outskirts of the cities came to be inhabited by the disadvantaged and the disinherited, particularly those who, not wishing to leave the farms, nevertheless had to go because that was their only alternative."

"The phenomenon of immigration," he continued, "has been carefully studied ever since Oswald Spengler. In his diaspora, the farmer abandons his ethical values, his moral code is eroded away, so that in a short time nothing remains of the ancestral standards of life. All he has left is the slum and he goes to live there with his family, his young children, surviving the only way they can."

"This is where violence begins, as a defense mechanism. This is where it grows and becomes a habit and even a sophisticated skill. Since we all react only against violence through physical violence, through economic and social violence, we are creating the vicious circle of violence in Brazil. In this way, even measures designed to put an end to violence wind up increasing it."

The justice minister however refused to come up with any solutions to the problem: "A problem of such dimensions, a problem of this kind, cannot be examined only from one angle and only by a minister of justice who has not even taken over yet. I am looking forward to getting statistics, reports, and other information for a critical review. Only then will I adopt a position as to the practical steps which the ministry must take as soon as possible."

Petronio

In conclusion, Ibrahim Abi-Ackel asked reporters to record his words of homage to his predecessor.

"The loss of Portella leaves a gap in our current team which cannot be filled. I have not the slightest pretense of continuing the work of Petronio Portella with the same brilliance and the same efficiency, partly also because conditions are not suitable for continuing precisely in his footsteps. But I do want to pay tribute to this exemplary patriot who dignified the political establishment."

Past Statements by Minister

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Jan 80 p 3

[Text] "I am a democrat by conviction and by ideal; I believe in conciliation as a natural process of resolving conflicts of a political nature."

This statement was made by the then deputy Ibrahim Abi-Ackel who yesterday was appointed minister of justice in one of his speeches delivered as deputy leader of what at that time was the ARENA [National Renewal Alliance] delegation, in 1977; he spoke in his capacity as deputy leader, not on his own initiative.

Always taking up the topics connected with constitutional legal problems, the new minister, through his past speeches, reveals his position on the following issues.

Constituent Assembly

"There is not and there cannot be a Constituent Assembly capable of operating with a free hand, drafting a new contract between the individual and the nation, reorganizing a homeland, if it does not have all the powers which a country's leadership instruments hold at any particular time."

Conciliation

"A democrat by conviction and by ideal, I believe in conciliation as a natural process of resolving conflicts of a political nature. Brazil's history, looking at any of its episodes, must always be viewed as a continuous process of reconciliation among antitheses from whose exercise at least sprang the integrity of Brazilian territory, threatened more than once by the radicalism of provincial leaders who, attacking national feelings, tried to develop life in their provinces through the predominance of their own will."

Nation

"A nation which wants to be prosperous, a nation which wants law and order, a nation which claims to be dynamic, a nation which thinks profoundly about the will of its people in terms of growth, a nation which really tries to multiply its output, a nation which asserts itself through its originality and through the vigor of its thinking, in an effort to achieve civilization through constitutional provisions, a nation such as Brazil, which still has fundamental problems to resolve, which must overcome centuries of under development--such a nation cannot return to a condition of formal, nominal democracy, remaining as a matter of fact only in a condition of oligarchy, a condition which is antidemocratic by nature and by intent."

Criminal Code

"A federal constitution would be worth nothing if, in its terms, it were not to include all institutions compatible with human dignity; a federal constitution would be worth little if, amid the generosity of its provisions, it were not to include standards and rules safeguarding liberty, personal inviolability, and human dignity; if the country that adopts such a constitution and if the Constituent Assembly that drafts it were not primarily concerned with bringing about harmony between criminal trial procedure and those guarantees and those rights which must then become reality in practice."

The Revolution of 1964

"The revolution which, in the final analysis, innovated, renovated, and revolutionized, is rendering to future generations the service of preventing us from getting in on the nuclear revolution. Just as we came in on the tail end of the technological revolution, and just as we failed to catch up with the industrial revolution in the past."

Armed Forces

"Speaking exclusively for myself, I would say that the major responsibility of the armed forces at this time is to provide permanent communications between civilians and the military through a common effort among the military establishment and the civilian establishment, so as to build a new democratic system based on social justice. A democratic system in which the military establishment will act as the zealous guardian of something more than just power, that is to say, a power which is extended to all Brazilian citizens, to all of the needy strata of our population, to the unemployed, to the poor, to the labor unions, so as to enable them to enjoy the benefits of a civilization which we have been building through 4-1/2 centuries of sacrifice although those institutions did not always meet the social necessities of the time and did a better job in serving certain elite who benefited from them and who used them to the detriment of others."

Closed System of Government

"I believe that a large part of Brazil's problems are due to the system of making decisions within a closed system of government, that is to say, Brazilian politicians disagree and fight each other and thus neglect other and more burning problems of the Brazilian people. What we call here 'technobureaucracy' should address itself almost exclusively to the adoption of solutions to national problems."

National Renewal Alliance and Brazilian Democratic Movement

"ARENA and MDB [Brazilian Democratic Movement] adopted markedly contradictory attitudes regarding the government and the solutions adopted by the

government for national problems. On the one hand, ARENA, because of its commitments to the regime, was inclined always to agree, thus, through its complacency and its discipline, guaranteeing the parliamentary victory of government proposals; on the other hand, the MDB had an exclusively negativist approach to the situation, that is to say, it systematically came out against government proposals even though they involved only passive amendments and improvements; thus, both of them created a dilemma between 'yes' and 'no' which impoverished the national political debates."

Penitentiary Reform

"Beyond the reorganization of the institution of preventive imprisonment, we must adopt trial standards which will speed up trials. A large portion of our jail population lives in idleness, under the corrupting influence of the criminal subculture. This type of prison only accentuates the crime-spawning character of jail and above all serves to spread and improve crime rather than defend society. Jail overcrowding is the worst of the entire procedure involving police and trial phases and what we need here boils down to legislative measures designed to speed up criminal justice."

Biographical Data on Minister

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Jan 80 p 3

[Text] When Ibrahim Abi-Ackel became a federal deputy, as alternate of ARENA from the state of Minas Gerais, in 1975, Senator Tancredo Neves, who at that time was in the Chamber, commented as follows to journalists: "Ibrahim is the biggest speaker in Minas Gerais right now." But Abi-Ackel did not come up to expectations during his maiden speak.

Selected by the leadership to speak during a session commemorating the revolution, the new justice minister, who will be 33 on 2 March, prepared his speech for more than a week. The night before, however, AI [Institutional Acts]-5 was invoked against Marcus Tito and Abi-Ackel tore up his prepared speech and spoke off-the-cuff without emphasizing the origins of the revolutionary movement, as he was supposed to do.

After that, he spoke on very few occasions. But, during one of his rare addresses, speaking off-the-cuff during a session in honor of "Soldiers' Day," he was praised by the then Senator Petronio Portella who told him: "Speaker of your capabilities, Ibrahim, cannot and must not be overlooked. We are going to have to talk a lot."

In the beginning, Abi-Ackel did not like Petronio's remarks, thinking that "being overlooked" signified something like omission. But friends convinced him that Petronio Portella actually intended to praise him and to urge him to come forward and speak from the rostrum more often.

Since then, contact between Abi-Ackel and Petronio became more and more constant. During their meetings, they discussed political and party problems, primarily party reform. The new minister always defended the goal of bipartisanship ever since he was sworn in following the appointment of Deputy Blas Fortes to the post of secretary of [public works] in Minas Gerais.

Through his work as reporter on the criminal code reform and the CPI [Congressional Investigating Committee] on the penitentiary system, Abi-Ackel came to be considered one of the members of parliament most familiar with the country's crime problem. In connection with the amendment of the code, he had some sharp discussions with the advisors to the then Minister Armando Falcao who tried to change his work. He adopted the same position with respect to the report on the penitentiary system; his opinions prevailed in both cases.

In the Assembly of Minas Gerais, the new minister was chairman of the special constitutional reform committee in 1967 and after that he became a leader in the Assembly. He was also chairman of the education committee of the legislative assembly. In addition to that he is a member of the State Criminology and Criminal Law Council and, in the defunct ARENA he was a member of the deliberative council of the Milton Campos Foundation.

Although he is best known in Congress by virtue of legal knowledge of his education to legal knowledge and his dedication to legal issues, Ibrahim Abi-Ackel did not engage in any intensive parliamentary activities during his five years in office as deputy in federal chamber. The historical record of his term of office reveals that his main effort was made in the full assembly which his legislation in specialized activities with the technical committees was rather discrete. The parliamentary action cards of the new justice minister, on file in the chamber's section, revealed that he submitted only one bill during that period of time. The bill was unanimously rejected by the constitution and justice committee because it was considered unconditional. He proposed exemption from the ICM [tax on movement of merchandise]. And the IPI [finished goods tax] on vehicles purchased by paraplegics.

Abi-Ackel was active in parliament more through assignments received from others than through his own personal initiative. From 1977, he spoke only in the name of the ARENA leadership, although in addition to that he shepherded various bills to a vote when he was a member of the leadership.

Against Reform

Although he advocated bipartisanship, the new minister was against the administration's party reform bill; he tried without success to change the party offshoots by introducing an amendment which was defeated. In his proposal he suggested three party offshoots during the gubernatorial elections of 1982. He spared no criticisms of the national leadership of ARENA in connection with the reform proposal especially "On account of

lack of attention to the suggestions and proposals submitted by the members of Parliament." He was also irritated by some of the positions adopted by Senator Jose Sarrey and he even went so far as to tell some of his friends that he would not run for reelection because he felt frustrated with the government bill.

At the beginning of this year, Abi-Ackel decided to accept an invitation from Nelson Marchezan to continue as deputy leader. He was convinced during the conversation he had with deputy Paulino Cicero, in Belo Horizonte, after which he accepted the invitation.

He thought that he might join the PP [People's Party?] but, because of problems between the PSD [Social Democratic Party] and the UDN [National Democratic Union] he thought better of the idea. He recently conferred twice with President Figueiredo. The first time was during an informal meeting at the home of Deputy Flavio Marcilio and then at Itajuba where he told the president that he would stay with the government party. On that occasion, Figueiredo commented: "I am satisfied because we cannot get along without a member of parliament who has your kind of qualities and your kind of talent."

In spite of those comments, Abi-Ackel told ministers Petronio Portella and Golbery do Couto e Silva that the reform bill would help the opposition. He was not convinced even when the head of the [president's] civilian office defended the bill.

His position reaffirms his political attitude which can be called liberal. In his library at home in Belo Horizonte, one can find, along with law books and classical works of Brazilian and international literature, also political books by journalists, such as "A Liberdade e a Ostra" by Fernando Pedreira and "Os Militares no Poder" by Carlos Castello Branco.

5058
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STATUTES, PLATFORM OF SOCIAL DEMOCRATIC PARTY PUBLISHED

Rio de Janeiro O GLOBO in Portuguese 23 Jan 80 p 4

[**"Founding manifesto"** of the Social Democratic Party issued in Brasilia on 23 January]

[Text] Brasilia--The founding manifesto of the Social Democratic Party (PDS)--which will be delivered to President Joao Figueiredo tomorrow by the political party's leaders--advocates, among its fundamental principles, "constant improvement of democracy in which everyone has the right to participate in the decisions that affect national life."

Other PDS principles listed in the document are: compliance with the Universal Declaration of Human Rights; "an electoral system that assures the legitimacy of political representation"; "allegiance to republican and federative institutions based upon separation and harmony of powers and autonomy of the states and municipalities, whose mayors and governors should be elected by direct vote"; and consideration of the parliament as "the highest forum of the nation."

The Manifesto

Through an extraordinary effort of growth, Brazil is now numbered among the world's 10 largest economies. We are beginning to fulfill the dream of our great national design. We are demolishing the battlements of backwardness.

The nation's complexity now demands the presence of political institutions capable of administering a great democratic nation, establishing an open and pluralistic society, desirous of assuring progress within freedom.

Our times demand strategic and tactical correctives responsive to the desire for reforms that strengthen republican and federative institutions, foster development without marring the nation's historical characteristics and

guarantee civil liberties, human rights and harmony among the various segments of the population.

Reforms that will courageously and realistically confront the serious problems of land use, rural exodus, urban community life, housing, education, health, welfare, social minorities, public safety, income distribution, consumer protection, conservation of nature, research and development of domestic technology, democratization of cultural goods and the quality of life.

To assure the permanence of this commitment, we now meet, in an expression of idealism, to found a party that will adhere to this path and can become an effective instrument of these desires and aspirations.

Political power is the synthesis of all powers and the political party is the basic institution of its will. A modern political party must be able, through its ideas, to enroll the voter, link the electorate and further aspirations, transforming them into government decisions. It must, therefore, have principles, organization and leadership capable, within an integrated system, of managing and administering power.

We do not want a party fashioned in offices or laboratories, nor of minorities, but based upon grass-roots support, built from the bottom up. Nor do we want a dogmatic ideological party. Rather, we want a party of ideas. We have, through deliberate identification, deep roots in the past. Our ties are with the future; our commitment is to the nation and to all Brazilians, whatever their background or position, and to them we open our ranks.

Our party takes its place within the tradition of the great democratic parties that made humanity's greatest achievements and built and sustained the right not only to subjective freedoms but also social rights and guarantees against hunger, fear, disease, unemployment, poverty, religious persecution and violation of citizens' privacy. Democracies that struggle to eliminate injustice without destroying freedom.

We propose to form a political fellowship that advocates reform and transformation. Our doctrine is social democracy. Our objective is power, achieved by the ballot, to carry out our program within a social rule of law. Our party activity will not submit to ideological pressure from the right or from the left.

We support the principle that the state is the instrument of society, and not the reverse. The genuine rule of law does not sanction subjective freedoms exclusively, in an abstract view of humanity, but it is the regime that provides, as an imperative duty of the state, social rights.

The Social Democratic Party considers the people, the expression of national sovereignty, as both the agent and the beneficiary of all its political action.

Doctrinal Commitments

To achieve these objectives, the Social Democratic Party proposes:

1. Constant improvement of democracy demands not a mere affirmation, but a way of life, in which all have the right to share in the decisions that affect national life, as well as the right to question and oversee public administration.
2. The guarantee to every citizen, regardless of social position, creed, race, color or ideology, of the rights proclaimed in the Universal Declaration of Human Rights. The civil and criminal accountability of whoever violates fundamental freedoms to the detriment of the rights of others, the interests of society and the security of the state.
3. An electoral system that assures the legitimacy of political representation, founded upon the free, independent and conscious exercise of the vote, limited terms of office and the responsiveness of parties in power.
4. Allegiance to republican and federative institutions, based upon the separation and harmony of the powers, autonomy of the states and municipalities, whose mayors and governors should be elected by direct vote.
5. We consider the parliament the greatest of liberal institutions and the highest forum of the nation. Its prerogatives are above any other, if only because they are derived from the sovereignty of the people.

In the Economic Field

1. Economic policy must have as its philosophy the social welfare, the ultimate purpose of productive activity. To this end, we must reduce income concentration, whether at the level of regions, classes, groups or persons. The government must give priority treatment to poor regions, notably the Northeast and the Amazon region, as well as to neglected minorities, needy minors, migrants, squatters, slum dwellers and Indians.
2. Private initiative is synonymous with economic democracy. Free enterprise must be assured. The state will intervene in the economy in areas of national interest or in proven cases of necessity to assure free competition and to combat speculation, exploitation, monopoly or any other abuse of economic power.
3. Strengthening small and medium-sized business must have priority in economic policy through granting credit, training human resources and transferring technology to improve their performance. Industrial policy must be so directed that vertical integration of large companies does not threaten participation by small and medium-sized business in the national economy.

4. We advocate vigorous support of domestic enterprise so that it can confront foreign competition and thus avoid the threat of its absorption due to the presence and action of multinational companies.
5. Consumer protection must be provided through surveillance that prevents price distortion and assures product-quality standards.
6. An agrarian-reform policy with expropriation of unproductive latifundia and their distribution to landless rural workers; consolidation of minifundia and strengthening of small and medium-sized rural enterprise; extension of agricultural credit to farmers. A settlement policy that protects the rural worker from speculators, land-grabbers or abuses by economic groups.
7. The sea, as an irreplaceable source of wealth, must have a special research and technology policy for its resources. Small-scale fishing must be encouraged by providing the benefits to which the fishermen are entitled.
8. Priority to agriculture and stock raising, with expeditious use of credit; crop insurance; policy of minimum prices; generation and transfer of technology.
9. An energy policy that has alcohol and other alternative energy sources as a priority option. Nuclear energy must be used for peaceful purposes.
10. An economic policy that prevents concentration of the financial system, without encouraging conglomerates, favoring creation of private regional banks and liberalization of granting charters for new establishments, with the purpose of democratizing credit, without privileges.
11. Protection of small investors and minority stockholders as well as constant improvement of the progressive income-tax system.

In the Social Field

1. Establishment of a social democracy is the prime objective of the PDS. It presupposes a just social order instituted for the common good without class hegemony and a balance between labor and capital. The benefits of national income must be placed more and more at the service of the entire nation. In this context the right to work, to a fair wage and to employment security is essential.
2. Guaranteed purchasing power of wages, freedom of union and association, fair minimum wage, unemployment insurance, participation in the company's profits and even in its management, as long as freely negotiated between employer and employees.
3. A policy of corporate capital that assures participation by the worker in its management, as well as access by private investors to stock ownership in state enterprises.

4. The right to strike as a legitimate form of pressure and the inviolability of picket lines, without permitting violent methods that attack the right to work.
5. Access to education to prepare the citizen for exercise of his social and political duty. A scholarship plan that supplements the official system and aids the needy student. Instruction directed toward development and the conditions of the labor market.
6. Priority for culture, a program of incentives for arts and letters, especially publishing production, the national art market, diffusion of theater and cinema; protection of the handicraftsman and popular culture; protection and defense of national monuments through preserving historic and artistic shrines.
7. Constant expansion of options for leisure time; nationwide extension of sports arenas; incentives to competitions; creation of cultural, reading and entertainment centers.
8. Expansion and improvement of programs for social security; retirement; health. maternity, infant and old-age care; and aid for the downtrodden.
9. Improvement of living conditions, primarily in large urban centers where neglect of large segments of the population leads to violence.
10. Reorganization of urban space and incentives for increasing application of land-use laws.
11. Adoption of a housing policy intended primarily for the low-income population, with a category benefiting young couples and elderly, sick and incapacitated persons. In constructing housing complexes, negotiations for land and buildings should be participated in by the future tenants. Real-estate rental policy, especially for low-income persons, should protect the tenant against abuse and speculation.
12. Urban transportation policy more responsive to the needs of the low-income population.
13. Corrective and preventive action to combat pollution.
14. Youth has the major task of sharing in building the future. We must guarantee it the right to participate, to voice opinions, to debate, disagree and support.
15. Women must have effectively equal rights through expanding opportunities within society.
16. The military institution is eminently national and nonpartisan, independent of political institutions but subordinated to the chief of state. The honor, respect and prestige of the armed forces are a dominant

objective, enabling them to modernize and train manpower so they may pursue their patriotic mission as defenders of national sovereignty and guarantors of democratic institutions.

17. Democracy will not be effective without complete freedom of information and will not be exercised without assured vehicles of communication: newspapers, magazines, radio and television.

18. Brazil's foreign policy must be based upon peace, negotiation and non-interference in internal affairs of other countries, with absolute respect for national sovereignty. Our priority relations must be with Portugal, Latin America and Africa, notably the nations with the same language: Angola, Cape Verde, Guinea-Bissau, Mozambique and Sao Tome and Principe.

All political efforts will be in vain without the major principle that man, as a creature of God, has a higher destiny. Industrial society has created a way of life that is more concerned with the quantity of goods than with spiritual values.

The Social Democratic Party will struggle for man in his human and social dimension. It will seek to reconcile individual freedom with social freedom and in this synthesis create the social rule of law.

Democracy is a regime that does not work with absolute truths or perfect formulas. Politics is a dynamic that is transformed in time and space. It was this spirit of adaptation that enabled liberal ideals to be transmitted to our day as the only rightful proposition capable of conducting the pursuit of happiness.

We contend that hatred, violence and resentment accomplish nothing.

The Social Democratic Party will be the party of reform and of transformation. Its activities will be carried out in peace, nonviolence, freedom and social democracy.

8834

CSO: 3001

BRAZIL

ITAIPU PROJECT REPORTED AHEAD OF SCHEDULE

Project Ready in 1987

Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Dec 79 p 15

[Text] Gen Costa Cavalcanti, general manager of Itaipu Binational, said yesterday that the Itaipu Hydroelectric Power Plant may be finished a year and a half ahead of schedule so that the last of the 18 turbines will go into operation during the second half of 1987 and not early in 1989, as originally scheduled.

According to Gen Costa Cavalcanti the consortium which is making the equipment--CIEM (Itaipu Electro-Mechanical Consortium)--has already reported that it is possible to speed up delivery of the fifth turbine. All it takes is "word from ELECTROBRAS [Brazilian Electric Power Companies, Inc.] who has already been consulted informally," he said, adding that "we are waiting for a positive response, primarily in view of the energy crisis we are experiencing."

Fear of Delay

The Itaipu general manager revealed that the enterprise in the beginning tried to get CIEM to move the start of plant operations up so that the first turbines would become operational in 1982 and not 1983, as scheduled. But the consortium replied that this early date would be possible only if Itaipu were to agree on having the two units produced in Europe, after which they would be imported--something with which the enterprise did not agree. In view of this, Itaipu asked the consortium to look into the possibility of speeding up deliveries as of the fifth turbine. The CIEM agreed, demanding only that the payments for the contract deadlines also be moved up in accordance with these early deliveries.

According to Gen Costa Cavalcanti, the big worry at Itaipu right now is that there will not be any delay in the production and delivery of the equipment scheduled to go into operation in 1983, not only because of the need for the energy which Itaipu will generate but also because it is precisely in 1983 that the enterprise will begin to pay back the loans which

it took out. During that year, it will have financial charges in the amount of \$3.4 billion which will be paid with the money coming from the sale of energy generated. "Just one year's delay in the start of operations at Itaipu would mean an increase of \$600 in the interest we would have to pay," the general said.

To prevent any delays, Itaipu will call a meeting at the end of January at Foz do Iguacu, involving all of the electro-mechanical equipment manufacturers, including the managers of the foreign parent companies of the enterprises involved in the consortium (Creusot-Loire Group, Siemens, Votth, Brown Bovert, and others). "During that meeting we will thoroughly cover all of the problems connected with the manufacture of equipment as well as inspection and quality control," he said.

Gen Costa Cavalcanti stressed that so far there has been no delay in the equipment delivery timetable. But work is not ahead of schedule either, in contrast to the civil engineering work schedule where we are 4 months ahead "and that gives us a safety margin."

The general was rather evasive regarding the reasons as to why Itaipu took the initiative in seeking to speed up the conclusion of the operation of the 18 units. He only said that, since the civil engineering work is ahead of schedule, there is "natural enthusiasm in trying to speed everything else up." He even went so far as to say that this was "a question of personal vanity."

Budget Approved

Gen Costa Cavalcanti said that, on instructions from President Figueiredo, the planned investments budget for Itaipu for the year 1980 will not be cut back. The enterprise will get the \$1,225,000,000 which it asked for; out of that among, 427 millions will go to civilian contractors, 194 millions will be spent on equipment, 104 millions will be used for the purchase of materials, and 75 millions will be spent on the expropriation of land in the area of the reservoir. Another \$111 million will go into the contingency reserve fund.

Itaipu Binational has already taken out loans worth \$7,571,000,000, of which 82 percent are in Brazilian currency--basically coming from ELECTRO-BRAS and FINAME [Fund for the Financing of Machinery and Equipment]-- while 18 percent are in foreign currency. The total cost of the project, including the financing charges, will be \$9,937,000,000 at January 1979 prices.

According to Gen Costa Cavalcanti, Itaipu Binational will not severely feel the effects of the tremendous devaluation of the cruzeiro as compared to the dollar because its foreign debt is only 18 percent of the total debt. Besides, debt payment will begin only when the plant begins to operate in 1983 and the Itaipu energy cost will be calculated as a function of the

debt to be paid. "As we pay off on our loans, the costs will gradually be reduced. After 40 years, when all loans have been paid off, the cost of electric power from Itaipu will only amount to the cost of operations, maintenance, and royalties due Brazil and Paraguay for the use of the water," the general said.

Plant Ahead of Schedule

Rio de Janeiro JORNAL DO BRASIL in Portuguese 2 Jan 80 p 18

[Text] Sao Paulo--The Itaipu Hydroelectric Power Plant, on the Parana River, now has studies underway which will be completed during the first 2 months of 1980 and which will determine whether the operation of its 18 turbines, which will generate 12.8 million kilowatts will start 24 or 30 months ahead of schedule. Although Itaipu Binational general-manager Gen Costa Cavalcanti announced that operations would start 18 months ahead of schedule, studies showed that the plant could be started up 24 months ahead of schedule and the enterprise itself even hopes to start 30 months ahead of time so that the complete electro-mechanical complex could be operational in July 1986. In trying to start operations ahead of time, the binational enterprise is trying to launch a cash-flow by creating conditions for repayment so as to improve the servicing of its debt.

Another certain thing is that Brazil and Paraguay in 1981, through their governments, will have to sit down together around the same table and amend the Itaipu Treaty, signed on 26 April 1973, in the portion relating to the price of energy. One must realize that, when the treaty was signed, the value of an ounce of gold was \$35, whereas today, on the official market, it is \$42 and on the official dollar market it is \$46.

Treaty Amended

The treaty is quite specific in its Article 4 which says: "The real value of the quantity of United States dollars earmarked for the payment of the 'royalties' on the yield from the capital and the remuneration established in Annex C shall be kept constant so that said quantity will keep up with the fluctuations of the United States dollar, related to its weight and content standards, in gold, in effect on the date of exchange of ratification instruments of this treaty." Article 5 concludes "that this value, in relation to the weight and content of the United States gold dollar, may be substituted, if the currency mentioned ceases to be referenced in terms of its official parity in relation to gold."

The correction to be made starting in 1981--when the question of the price of energy to be generated by Itaipu must be analyzed--involves taking into account the capital of the enterprise whose investments will come from loans to the extent of 99 percent, plus the debt servicing, after which it will be necessary to try to fix the price. Itaipu management

personnel consider it impossible to come up with an estimate today in relation to the future price of energy to be generated by Itaipu. Annex C of the treaty which is to be amended consists of two pages and in Chapter III, dealing with the cost of electric power, it states that the formation of the price of energy generated by the hydroelectric power plant will be made up of the amount necessary for the payment--to the parties constituting the Itaipu company--of the 12-percent annual yield on the share of company capital; the amount necessary for the payment of the financial charges on the loans received; the amount necessary for the payment of the installments on the loans received.

The fact is that the price of Itaipu energy will reflect the company's indebtedness due to the loans obtained for its construction. At the end of the construction work and when the 18 turbines are in operation--turbines which will begin to be installed as of 1983--the total figure by 1987 will be \$10 billion (420 billion cruzeiros). Negotiations will be conducted in 1981 to fix the energy price by the governments of the two countries, independent of Itaipu Binational.

Timetable Beaten

Since it is certain now that the project is at least 2 years ahead of schedule, it is possible to install the electro-mechanical equipment upon conclusion of the construction work as such. A committee was formed at Itaipu Binational to study the possibility of moving up the completion of the hydroelectric portion by more than 6 months.

The studies will take into consideration a renegotiation with the electro-mechanical equipment producers to find out whether the cost will go up in case the manufacture of the machinery is moved up; the studies should also reveal what this will mean in terms of the debt of this binational company. Only after these studies, which will take several months, will it be possible to be certain as to whether completion will be 24 months, which is sure now, or 30 months ahead of schedule.

In economic terms, not only Brazil but also Paraguay will need energy from Itaipu in 1987 considering the fact that Paraguay, in 1979, finished the year with an export figure of \$320 million and an oil import figure of \$120 million. The importing of petroleum upsets Paraguay's balance of trade and the country needs more energy in order to be able to replace the fuel oil for the boilers in its most important industrial plants.

One thing that has never been disclosed before is the fact that a mission of businessmen from Sao Paulo, headed by Industry and Commerce Secretary Osvaldo Palma was in Paraguay and that the government of that country proved to be worried about the energy issue to the point of requesting studies concerning the establishment of a national alcohol program. The studies are now in progress.

Railroad Line Approved

The last meeting of the Itaipu company deliberative council in Rio also determined the company budget for 1980 with direct investment funds amounting to \$1,225,000,000 already assured. Now, the binational company is looking for money on the international market for 1981.

The governments of Brazil and Paraguay spelled out the details involved in the construction of a railroad line between Paraguay and the port of Paranagua, the hoped-for Paraguay outlet to the sea, using sections of the Soja railroad line at the end. The equipment to be supplied will be entirely domestically produced and the studies as of now will involve engineering aspects to determine the gauges and the types of railroad cars and locomotives.

The recent trip by Finance Minister Karlos Rischibicter to Buenos Aires might also open up a new prospect for Brazil: the sale of equipment for the hydroelectric power plant at Apibe-Yacireta which Argentina and Paraguay will build on the Parana River. If this were to happen, Paraguay believes that one could speed up the construction of an industrial equipment park in the country. This park would arise with the establishment of the CIE (Electro-Mechanical Industry Consortium) which would supply 10 percent of the equipment for the Itaipu Hydroelectric Power Plant.

Another aspect likewise debated at the meeting of the Itaipu Binational deliberative council had to do with the fact that the tremendous devaluation of the cruzeiro did not affect the enterprise primarily regarding the purchase of electro-mechanical equipment worth \$800 million because the domestic share was 85 percent.

Power Line

The DC electric power line is no longer a matter of concern for Itaipu Binational since its construction budget, as of 1980, makes provision for the priority use of 20 billion cruzeiros, to be supplied by the government, with a promise that similar funds will be given during the following years, until 1983, when the job will be completed in the month of March.

The power line construction timetable is rather tight and Itaipu Binational is quite aware of that but it is not worried because, following the installation of its two 60-cycle turbines, it will be possible to use the AC power line, in other words, the distribution of electric energy generated here will be guaranteed in some way. The construction of the power line is the responsibility of FURNAS.

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BRAZIL

KEY FIGURES, INTERRELATIONSHIP UNDER FIGUEIREDO VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jan 80 p 27

[Article by Walder de Goes: "The Three Areas of Command"]

[Text] Brasilia--Karlos Rischbieter's dismissal, consolidating Delfim Netto's unity of command over economic policy, helped sharpen and clarify the ruling circle in Brasilia. Under Figueiredo the government is based solidly on three key men who have centralized authority over the three major policy areas: Golbery do Couto e Silva, institutional policy; Delfim Netto, economic policy; and Octavio Medeiros, security policy. But Golbery is at the apex of the triumvirate, since he is responsible for overall strategy and his job is thus to coordinate the three areas, acting as a link between all cabinet ministers and the president of the republic and virtually assuming the powers of a prime minister.

Security policy can be divided into military policy and intelligence policy. With the decline of subversion and repression, military policy has developed a politically inactive scenario. The armed forces returned more noticeably to their professional activities. Intelligence and counterintelligence policy thus became more important. General Medeiros, as SNI [National Intelligence Service] chief, has centralized command of that policy. It is he who, on behalf of the president, transmits to governors and ministers of state recommendations regarding national security, as he does regularly on issues such as the labor and student movements, activities of the mass media and underground political groups and appointment of public officials.

Medeiros coordinates closely with Golbery. Overall strategy requires it and personal relations encourage it. The predominance of Medeiros in command of security policy does not, however, reduce the role of Army Minister Walter Pires. A personal friend of Figueiredo, Pires has a direct channel to the president. His use of this channel causes no friction with Medeiros, mainly because he considers the Army's professional consolidation the major goal of his administration. Nor does the ascendancy of Medeiros affect the position of Air Force Minister Delio Jardim de Mattos. Delio performs two important roles without interfering in the SNI chief's area of control. In the first he acts as a political adviser to the president, of whom he is a

longtime friend. His second role is to consolidate the work of Air Force Gen Araripe Macedo in "reprofessionalizing" the Air Force. In the past the Air Force was always politically divided between the pro-Vargas forces, represented by Air Force Gen Nero Moura, and the anti-Vargas forces, represented by Air Force Gen Eduardo Gomes. Not until the Medici and Geisel governments, when Araripe Macedo directed the Air Force, did it begin to be reprofessionalized. Delio thinks it is important to continue this work.

Delfim once again has the hegemony over economic policy he enjoyed in the Medici government, only this time more clearly and more broadly. He has now been given all the powers associated with the principle of unity of command, an idea dear to the military culture and now strengthened by the presumption--supported by Planalto Palace and by the armed forces--that only by reversing current adverse economic trends can the regime maintain its integrity. Beyond being strengthened by this principle, Delfim benefits from good personal and functional relations with Golbery and Medeiros. Delfim got to know Medeiros, as he did the other military chiefs, through the head of his office staff, Colonel Faria Lemos, a classmate of the SNI chief. Relations with Golbery are more complex. He submits in advance all his major decisions to the head of the Civilian Household so that they can be judged in the light of overall strategy. Beyond that, Delfim concurs with Golbery in all their political attitudes. But Golbery, in the cautious administration of overall policy, makes sure that the great power turned over to Delfim does not excessively compromise present and future political relations. He only gives in to Delfim's demands for more power when circumstances have become unbearable and threaten vital current interests, as in the cases of Mario Henrique Simonsen and Karlos Rischbieter.

Golbery is not inclined to discuss implementation of economic policy in detail. When Delfim and Rischbieter brought him the last economic "package," the principal measure of which was maxi-devaluation of the exchange rate, the chief of the Civilian Household centered the ensuing discussion on the adjustment between the decisions they had adopted and the overall strategy for which he is responsible. Along with this concern and the task of administering personal relations within the government, Golbery is directly responsible for institutional policy. He assumed new responsibilities in that field with the replacement of Petronio Portella by Ibrahim Abi-Ackel. Although Ackel has been given the task of political coordination, he has less experience and less initiative than Portella, which compels and permits Golbery a more minute supervision of institutional policy, especially in party reorganization. Beyond this, Golbery pays special attention to foreign policy, although he discusses it with Foreign Minister Saraiva Guerreiro only in terms of major guidelines. Understanding of Golbery's role would not be complete without taking into consideration the job performed by the president's personal secretary, Heitor Aquino Ferreira. He is Golbery's right arm, an intimate friend who has become a strong and unavoidable part of the small committee that articulates and puts into motion the decisions of the president of the republic.

Barring occurrence of unpredictable earth tremors, the trend of events points in the direction of strengthening and not weakening this ruling group in Brasilia.

BRAZIL

SAO PAULO RECEIVES \$850 MILLION LOAN FROM FRANCE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Jan 80 p 5

[Article by Reali Junior, Paris correspondent: "Maluf Reports He Received \$850 Million Loan"]

[Text] Paris--The French government has offered \$850 million in credits to the Sao Paulo State government for financing hydroelectric projects and electrification of the FEPASA [Sao Paulo Railroad, Inc] system. Governor Paulo Maluf himself announced these credits after his 40-minute meeting with Giscard d'Estaing in Elysees Palace. According to the Sao Paulo chief executive, it is the largest loan to the Brazilian government ever authorized by the French government, with all terms agreed to by France and the Sao Paulo government, although the federal government must approve the agreement. Maluf mentioned that Planning Minister Delfim Netto has been kept informed of the arrangements and that he talked with him by telephone just yesterday.

Paulo Maluf expects that the contract can be signed within 2 months, the time needed by the federal government to arrange formalities. These negotiations are conducted at the federal government level and the loan is to be passed through to the Sao Paulo government. The governor said that the French government's offer is definitive and that the Sao Paulo government has accepted the terms. So all that is lacking is federal approval.

Finance Secretary Celso Pastore and Planning Secretary Rubens Vaz Costa provided supplementary information about the two projects. The CESP [Sao Paulo Electric Company] loan is intended to finance three new power plants on the Parana and Paranapanema rivers: Porto Primavera, Rosana and Taquarucu. The total cost of these works is over \$2.5 billion and the first of the 27 turbines will be ready to begin operating by 1983. Capacity of the three power plants will be about 3 million kilowatts.

The CESP project has been divided into two types of credits. A direct government-to-government loan of \$250 million has a 20-year term, 10 years of grace and an interest rate of 3.5 percent. The financing credit of \$350 million will be granted on the terms of the international market, with Societe General leading the consortium of banks.

The second project will benefit the FEPASA and financing will be used to electrify the Uberaba-Santos export corridor. Half the credit of \$25 [as published; \$250?] million will be a direct loan, while the other half will represent bank loans, the consortium for which will be led by Credit Lyonnais.

Sword

Governor Paulo Maluf will donate the "Golden Sword" received as a present from Prince Salman, governor of Riyadh, to the Sao Paulo Military Police Museum. The Sao Paulo governor was very upset when, during his press conference at the Brazilian embassy in Paris, they asked him what he would do with this gift.

The question was asked in view of the controversy in France about the disposal of the "Bokassa diamonds," the precious stones that the former Bangui [Central African Empire] dictator had offered to the French president.

Maluf said he would not speak about the French problem--to avoid committing the blunder of becoming involved in a domestic French affair. As a matter of fact, no one asked him about the French case, which came up only as an example. In regard to the "Golden Sword" he received in Saudi Arabia, he asked for the testimony of Colonel Torquato, chief of his Military Household, to reveal to journalists his instructions on the day he received the gift. Colonel Torquato reported that the governor had asked him about the possibility of the Military Police Museum receiving the sword. As the reply was affirmative, he immediately donated the gift to the museum, where it will be on public display. Maluf supplemented this by saying that no law compelled him to take such an initiative, but as soon as he received the valuable present the idea of donating it came to his mind at once.

Politics

The governor revealed that he gave President Giscard d'Estaing a brief resume of the Brazilian economic situation, which, in his opinion, "is in full ascendancy due to the climate of tranquillity and political stability." He also reported to the president his meetings in France with the Elf Aquitaine group, with whom he discussed the possibility of exchanging technology used in exploration and drilling for petroleum.

Airbus

Governor Paulo Maluf also revealed that he is studying the purchase in coming months of three airbus aircraft for VASP [Sao Paulo Air Line]. Negotiations are well advanced but delivery of the equipment will not take place before the second half of 1982, since the French company, which has a backlog of 400 orders, will not be in a position to expedite delivery. Furthermore, VASP already plans to take delivery on new Boeing aircraft and would not make the airbus part of its fleet until that time.

Maluf denied the rumors circulating in Paris about the initiative of acting Governor Jose Maria Marin, who was reported to be intending to summon the Legislative Assembly to discuss the message about the new capital. Finally, he commented on the choice of his secretary of agriculture, Eduardo de Carvalho, as secretary general of the Finance Ministry. He said that Sao Paulo is losing "an excellent secretary" but in compensation it is obtaining an important post in the upper echelons of the Finance Ministry.

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LACK OF LEADERSHIP IN NEGOTIATIONS HINDERS TRADE WITH PRC

Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 Jan 80 p 14

[Text] Brasilia--Due to indecision as to who will be in charge of the process--a role sought by the vice president of the republic, the minister of industry and commerce and Itamarati [Brazilian Foreign Ministry] itself--Brazil runs the risk of not achieving the results expected this year from opening trade with China, involving massive exports of iron ore, sugar and iron-and-steel products and purchase of more petroleum, coal and pharmaceutical raw materials.

Whereas Vice President Aureliano Chaves since taking office has had all the information needed to make an official visit to Peking, which would signal expansion of business between Brazil and China, the Ministry of Industry and Commerce and Itamarati are independently pursuing arrangements already made with Chinese authorities through a series of official missions exchanged last year under the direction of these ministries and the Ministry of Mines and Energy as well.

Uncertainty about who is in charge of negotiations with the Chinese apparently arises from the fact that the vice president of the republic is not satisfied with playing a merely decorative role in the process, relegating effective conduct of negotiations to the ministerial experts. To all intents and purposes, the Foreign Ministry and the MIC [Ministry of Industry and Commerce] act as if the vice president's trip were not being planned, limiting their expectations to the probable visits of two more Chinese authorities, Petroleum Minister Li Chang and Metallurgical Industries Minister Tang Ko, for providing continuity to meetings held last year, when no less than eight missions from China visited Brazil.

Determination of responsibilities, after all, must come from President Joao Figueiredo himself through an express statement to Itamarati and the other ministries involved that matters related to China are to be channeled through the office of Aureliano Chaves.

The People's Republic of China embassy in Brasilia cleverly feigns ignorance of the uncertainty regarding who is responsible for bilateral dialog at the

government level (Itamarati is carrying out an activity concurrent with official initiatives by mobilizing private businessmen), preferring to act through the conventional channels--the Asia Division of the Foreign Affairs Ministry, the MIC international staff and, eventually, the Mines and Energy Ministry--for pursuing trade agreements based upon the January 1978 accord and detailed in the covenant of last November with projections for the next 5 years.

Thanks to arrangements made last year, Brazil is importing the equivalent of 20,000 barrels of heavy Chinese crude per day and intends to raise its purchases to 30,000 barrels a day. Export of 5 million tons of iron ore is expected this year for the recently installed (with Japanese assistance) Chinese iron and steel industry, with prospects of a future increase of up to 15 million tons of ore, dislodging the Australian and Chinese suppliers.

Transportation continues to be an important problem in increasing bilateral trade, due in part to the small draft of Chinese ports and the long distances to be covered. In the preliminary negotiations for exporting iron ore and importing petroleum and coal there was agreement to the effect that the difficulties could be overcome through transshipment in Mindanao (gold bullion) in the Philippines from big oil tankers and grain ships to smaller vessels and the opportunity for return freight. Construction of new ports in China, such as the Lung Shan terminal for iron ore and the Lein Yun Kang terminal for coal, and expansion of existing port facilities may soon eliminate the difficulties.

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BRAZIL

CUBAN ECONOMIC TEAM ARRIVES IN APRIL; BALLET GROUP REFUSED

Sugar Agreement Forces Thaw

Rio de Janeiro O GLOBO in Portuguese 7 Jan 80 p 6

[Text] The Brazilian government will receive in April a Cuban delegation coming to take part in the meeting of the Group of Latin American and Caribbean Sugar Exporting Countries (GEPLACEA). Brazil and Cuba are the most important members of the group.

This will be the fourth time in less than 1 year that Brazilian and Cuban delegations are taking part together in international meetings to discuss interests of the two countries amicably. Although these meetings are politically neutral, they indicate that there has been a certain easing of dialog at the technical level and an attitude of confrontation no longer exists.

Interests

Although without diplomatic relations, during 1980 Brazil and Cuba will be forced to meet and discuss their participation in renegotiating quotas for the International Sugar Agreement. Australia, Brazil and Cuba make up the so-called ABC group, responsible for the largest volume of sugar exports in the international market.

The current technical meetings with representatives of the Cuban government will include Brazilian diplomats, which was avoided in the past so these meetings would not take on any political connotation.

In September, when Brazil sent a delegation of three diplomats to Havana to participate in the meeting of nonaligned nations, it was clear that the two countries were no longer hostile to each other in international forums. In one of the first meetings of the nonaligned movement the Cuban representatives asked for expulsion of the Brazilian mission. What is occurring now is a rapprochement motivated by economic interests. If Brazil and Cuba cannot agree on this level it would be detrimental to both in the international market and the conditions demanded by the trio opposing the ABC--the three biggest sugar importers, Japan, Russia and the United States--would prevail.

Whenever Itamaraty [Brazilian Foreign Ministry] is asked about renewing relations with Cuba, it reports that this is one of the matters "under constant study," although no date has been set. Although one of the directives of Brazilian foreign policy is maintenance of good relations with all Latin American countries--regardless of their ideological leanings--Itamaraty says that resumption of relations with Cuba is not yet among the major matters of national interest, which would justify resumption of overt political dialog with the Fidel Castro regime.

Ballet Troupe Visit 'Inappropriate'

Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Jan 80 p 14

[Text] Brasilia--Itamaraty spokesman Bernardo Pericas said yesterday that Cuban impresario Orlando Fernandes Rodrigues, promoter of the National Ballet Company of Cuba, was denied a visa because a visit to Brazil by him and his troupe "was deemed inappropriate."

Pericas indicated that Cubans coming to Brazil to participate in international events will not be refused visas and he recalled that last year there were at least three such events with representatives from Havana: the congress of the Universal Postal Union, the conference of the International Red Cross and an international chess championship.

He reported that the Cuban impresario requested the visa last November through the Brazilian embassy in Madrid and the request was denied after consulting "the agencies responsible for considering this type of request" in Brasilia.

A reporter reminded the diplomatic spokesman that the Brazilian government once prohibited a videotaped television broadcast of the Bolshoi Ballet, but shortly thereafter changed its mind and allowed the Soviet troupe itself to come to Brazil. Asked whether the Brazilian government might change its mind again, as in the Bolshoi Ballet case, Bernardo Pericas limited himself to verifying the change in the Brazilian position: "It happened in that case, didn't it?"

Finally, the Itamaraty spokesman announced that during the middle of February a trade mission made up of 15 directors of state enterprises in the People's Republic of China will arrive in Brazil to negotiate with businessmen and the government.

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BRAZIL

FARM POLICY ANALYSIS; PLANS DISCUSSED

Sao Paulo ISTOE in Portuguese 2 Jan 80 pp 55-56

[Article by Rolf Kuntz: "A Crop Attended With Much Care"]

[Text] On no occasion, over the past 20 years, has the country depended so much on agriculture to get out of the hole it is in. This year Brazil imported about \$1.5 billion worth of farm products. In Rio de Janeiro food costs went up 74.5 percent in just 11 months; the supply situation was in ruins in all capitals. This is why the government is devoting special attention to the next summer harvest so that the losses may be kept as low as possible. Thus, the year 1980 will be inaugurated with the launching--scheduled for 2 January--of a new agricultural package deal designed to correct the effects of inflation and the financial package.

Agriculture Minister Amaury Stabile wants to announce the following:

- (1) The updating of financing costs which had been fixed in June, prior to the big surge in inflation;
- (2) Adjustment of minimum prices to bring them in line with the new cost situation;
- (3) New loans for fertilizer, with nominal interest rates amounting to zero, to compensate for the 30-percent exchange rate devaluation.

Through its financial package, the administration had caused a rise in the cost of imported investment items, it reduced the subsidies for agriculture, and it instituted an export tax. According to plan, the new measures are supposed to restore a situation in agriculture which would be compatible with the priorities officially announced in 1979.

1977 in 1980?

Now there is no longer any easy talk about a superharvest, for two reasons. First of all it is already becoming clear to everybody that good harvests

in 1980 could, at best, equal the results of 1977 or exceed them modestly. Secondly, the latest estimates, drawn up in December, suggest a lower output volume than estimated a few months ago when the farmers were beginning to make their planting decisions. Even so, the prospects are rather reasonable for a country such as Brazil which has had two consecutive harvest failures. We cannot entertain any big illusions as to any vast exportable surpluses.

In the case of basic products, such as rice and beans, a good harvest is not enough to restore tolerable supply conditions. The bean harvests have stagnated for several years, fluctuating around 2 million tons, whereas the population continues to grow at a rate of 2.6 percent per year. Rice stockpiles, which we had a few years ago, have been wiped out and in 1979 it became necessary to make voluminous purchases abroad. As for corn [maize], it will be difficult to get back to the 1977 level since there has been a rapid increase in the need for corn as animal fodder and because prices have been skyrocketing over the past 2 years.

Mr. Delfim Netto admitted that it will be necessary over the next several years consistently to pursue a policy of firm farm supports so that new production tendencies may take shape. As for the package promised for the beginning of the year, a source in the Agriculture Ministry said that this is not a random decision; the practice of adjustments will have to be continued by the administration, thus characterizing a new orientation. So long as inflation keeps growing beyond estimates, minimum prices and financing figures will be revised. Regardless of future action to be taken by the authorities, one point appears undeniable: the administration is with its back against the wall. The failure of a third harvest would dramatically aggravate the situation of our foreign accounts. Besides, the cost of living would go up abruptly, starting with an already very high level.

Price Explosion

The various price indicators, prepared by different research groups, with a few variations present a rather frightening scenario. According to the economic research institute of USP [University of Sao Paulo], the cost of living in Sao Paulo went up 68.9 percent by the second week of December. In Sao Paulo likewise, according to DIEESE (Interunion Department of Statistics and Socioeconomic Studies), the cost of food went up 71.5 percent during 12 months ending in November. Using the basic food allowance as reference, in accordance with the provisions spelled out in the law, the price rise during that same period of time is even more, in other words, 83 percent. According to calculations by that same source, the price of milk went up 73.8 percent from December until November; meat on the average rose to 103.9 percent more; beans went up 61.9 percent and rice rose 90.2 percent.

These statistics however do not describe the problem in its full extent. Among the poorest population segments, expenditures for food in some parts

of Brazil take up more than 60 percent of the family budget. For groups with a more limited diet, it becomes impossible to obtain resonable nutrition as a result of these price rises. In the case of these families, which already reveal serious food deficiences, the simple preservation of nutrition standards, in the face of this price rise, implies the deterioration of all of the other aspects of life.

In view of this situation, the elimination for the wheat consumption subsidy is becoming a policy that is highly debatable, to say the least. The assumption accepted in government circles is that we would have a progressive reduction, starting in April or May, depending upon the results achieved in the corn and rice harvests. Even considering that a portion of the subsidy is badly used (wheat is used for animal fodder, the product is being smuggled to Argentina, etc.), the social balance remains positive: bread and noodles constitute cheap food items which are becoming increasingly important for low-income segments of the population. A calculation error in the reduction of this subsidy could profoundly aggrave social tensions.

Mini-Reform

The anxiety of the government with relation to the 1979 harvest, beyond any doubt, shows that farm policy changes came up at the critical moment. The innovation began during the first half, when cost financing was determined. The policy turned out to be less tied to restrictions of a monetary nature which had severely harmed farm policy during earlier years. Within the same scheme, minimum prices could be calculated on more realistic foundations, providing a greater incentive for crops intended for domestic supply. Generally speaking, the farmers reacted rather well to the new criteria. With the package promised for the next several days, the administration should be able to consolidate the new orientation and to give its policy more credibility.

The change however is still modest when compared to everything that has yet to be done. The effectiveness of our credit policy--just to mention one example--is very doubtful, not only because of the poor distribution of funds, concentrated in a relatively small environment, but also because of the way in which the money is used. A few days ago, technicians from the national wheat research center in Rio Grande do Sul described the results of 40 crop areas which they had looked into: 1,400 kilograms per hectare. According to their calculations, the output could have gone up to 1,700 kilograms if those crops had not been hit by unseasonal frost (in September) and by rainfall during a dangerous phase. The state's average output, according to the Rio Grande do Sul agricultural secretariat, came to only 400 kilograms per hectare. How can one explain this great difference even if we overlook the assistance given by technicians from the CNPT [National Wheat Research Center]? Technicians from the center, which is affiliated with EMBRAPA (Brazilian Agriculture and Livestock Research Enterprise), took a risk in coming out with their hunch: either the resources purchased

with the money were poorly used in technical terms or there was fraud or, finally, both things happened together.

Questioned on this matter, the agriculture minister did not support the assumption of fraud, although he did not reject it either. This is a matter which one will be able to talk about with certainty only after an investigation. But he fully agreed with the idea that farmers frequently make poor use of technical resources, such as fertilizer, insecticides, corrective remedies, etc. This is why Minister Amaury Stabile emphasized that records on the various crop areas should be improved and should be better maintained not only so that we can be sure as to what happens to the money (a task in which bank managers can cooperate) but also to get the best yield out of the factors used.

Efficiency and Politics

The agriculture minister kept stressing the topic of productivity, a problem which he considered to be a priority matter. According to Stabile, it is necessary not only to make the farmland and the livestock operations more productive but one must also achieve great efficiency in the support systems, such as transportation planning, harvest storage, etc. From the beginning of the planting phase, agriculture ministry technicians, together with personnel from other government agencies, have been studying the operations that must be carried out until the harvest and during the following months. The planning involves road repairs, the construction of a highway and railroad linkup to move the produce out, providing the necessary silos, etc. A survey conducted in 1976-1977 revealed that, after production, the country lost about 10 million tons of grain--a loss amounting to several billions of dollars.

Experience has shown year after year that these concerns are important. Many researchers however maintain that the efficiency problem has broader dimensions; behind the low per-hectare productivity, which is a feature of Brazilian agriculture, there is the problem of the agrarian structure as such. So far, the administration's response to this question simply consisted of a reform in the rural territorial tax intended--according to the bill's authors to stimulate the more productive use of the soil. According to some experts on the agriculture problem, the value of the reform is highly doubtful.

Be they what they are, those theories, the one thing we can say with certainty is that farm policy is inexorably swept along by the facts of life--domestic inflation, the wide-open political approach, social tensions, the energy crisis, and the fact that the balance of payment is out of whack. At this point, the question of priority is already beyond the sphere of free decisions. Today the agricultural issue is tied to all dimensions of the Brazilian crisis.

Step-by-Step Toward Disaster
 (In thousands of tons)

	1974	1975	1976	1977	1978	1979	1980
Rice	6,483	7,538	9,560	8,935	7,241	7,592	8,950/ 9,400
Beans (total)	2,238	2,271	1,842	2,282	2,187	2,180	--
Water beans	--	--	--	--	--	1,132	1,190/ 1,340
Corn	16,285	16,416	17,845	19,246	13,533	16,327	19,500/ 20,300
Soybeans	7,876	9,717	11,226	12,513	9,535	10,000	14,700- 15,300
Wheat	2,858	2,091	3,215	2,066	2,677	3,140	

Sources: Ministry of Agriculture, IBGE [Brazilian Institute of Geography and Statistics].

5058
 CSO:3001

BRAZIL

BRIEFS

HELIBRAS HELICOPTERS FOR NAVY--Brasilia--The Navy will take delivery in Sao Jose dos Campos the beginning of next month on 3 of the 36 helicopters it ordered from HELIBRAS [Brazilian Helicopters, Inc]. The equipment is of the Squirrel (Ecureil) type and is used to transport authorities or for patrol duty, due to its flying time of 4.5 hours. Each helicopter costs \$430,000. The announcement was made by the company's managing director, Mr Nival da Silva, who also mentioned that the Navy had received three other helicopters in October. On 23 January the company will take delivery of seven aircraft to be assembled in its plant in Brazil. The other four aircraft will be delivered to the City of Sao Paulo, the Rio de Janeiro Department of Roads and Highways, the Criciuma Coal Company (Rio Grande do Sul) and the Eng Traffic Company of Sao Paulo. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 14 Jan 80 p 14] 8834

VISIT BY RUSSIAN PHYSICIST--Rio de Janeiro--Soviet scientist E. Lifshitz, Lenin prizewinner in physics and member of the USSR Academy of Sciences, arrives in Rio today for a 3-week visit that includes a week of activities in the Brazilian Center for Physics Research, a week in Joao Pessoa at the School of Cosmology and another week in Rio, where he will lecture on statistics and cosmology. [Text] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Jan 80 p 10] 8834

ARMY MINISTRY BUDGET APPROVED--Brasilia--Army Minister Walter Pires, in compliance with an Army General Staff proposal, approved instructions for implementing the budget and programming disbursements of the Army Ministry during the 1980 period. Expenditures on "other outlays and capital" will total 9,938,400,000 cruzeiros, of which 8,447,640,000 cruzeiros will be for "programmed expenditures" and 1,490,760,000 cruzeiros for "unprogrammed expenditures." The office of the army minister and the General Staff head the list of Army components that will have the largest "other outlays and capital" expenditures. Total expenditures of the former will be 122,742,000 cruzeiros and those of the latter will amount to 89,077,000 cruzeiros. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jan 80 p 6] 8834

BRAZILIAN-ITALIAN NAVAL MANEUVERS--Salvador--Adm Giasone Piccioni, of the 6th Italian Naval Group, denied yesterday that the joint maneuvers to be held 16 January by the navies of Brazil and Italy are a demonstration of new attack and combat tactics within a plan for defense of the Atlantic Ocean or that they indicate the intention of European countries to sell war materiel to Brazil. According to the admiral, the joint operation was requested by the Brazilian Navy and serves as an exchange of ideas, "since the Italian Navy has nothing to teach the Brazilian Navy." Refusing to reveal more details about the operation, Admiral Piccioni merely announced that a Brazilian submarine and modern Italian-made 40-, 126- and 127-millimeter naval fire pieces will be used, in addition to helicopters. The admiral commands the torpedo-boat destroyer "Ardito" and the frigate "Lupo."
[Text] [Rio de Janeiro O GLOBO in Portuguese 14 Jan 80 p 5] 8834

CSO: 3001

CHILE

ARTICLE WEIGHS RELATIVE ADVANTAGE OF RIGHT TO STRIKE

Santiago QUE PASA in Spanish 22 Nov 79 pp 8-10

[Article by M. Eugenia de la Jara: "Does the Right to Strike Fall Short?"]

[Text] "Strike (as defined in the Dictionary of the Royal Spanish Academy of the Language): A work stoppage or walkout by persons employed in the same occupation, acting in concert, to impose specific conditions on their employer."

Whenever the prescribed time limit expires for reaching agreement on a collective labor contract in enterprises in the third stage of negotiations (letter E for 1 year, and letters L and U for 2 years), the country witnesses a public debate in the mass media on one of the most burning issues in that stage: the right to strike and whether, as specified in the Labor Relations Plan, it achieves its intent as an effective means of exerting pressure by the workers.

Actually, the issue has been under discussion ever since the Ministers of Labor of the current government made their first statements relative to collective bargaining. Gen (Ret) Nicanor Diaz Estrada said in November 1974 that this right had been neither suppressed nor suspended, and added: "We respect the right to strike and to demand. In fact, we go farther. We believe these rights may not be waived by the workers and that they result from compliance with other duties as workers and citizens."

Former Minister of Labor and now Minister of Interior Sergio Fernandez, on the other hand, said in 1977 that "contemporary reality demands the outmoding of the strike as a means of resolving labor disputes. The strike has lost the moral basis to which it owes its birth. Its existence has no basis in an organized society capable of establishing juridical means for achieving peaceful and fair solutions through special tribunals of experts" (QUE PASA No 343).

A few days after publication of the Labor Relations Plan, current Minister of Labor Jose Pinera said: "Actually, our basic premise is that the strike is a last resort and is always detrimental. Its value lies in its use as

a dramatic expedient for evaluating who needs whom the most and, consequently, the extent to which pay scales must be increased (since they have already been readjusted in real terms to start with). On the other hand, the employer is provided with an equivalent instrument: the temporary shutdown of his enterprise. Obviously, this eliminates extremes of irresponsibility" (QUE PASA No 429).

Who Benefits?

As this article goes to press, there is a known total of 15 strikes throughout the country at the end of 850 collective bargainings. That is, about 2 percent of the latter have failed for the time being at least and, on the other hand, 836 agreements have been signed. The authorities view this result as clear evidence that the new labor laws are successful and that workers as well as employers have quickly adjusted to the new scheme.

The president of the republic, in fact, stated a few days ago that in Chile today the institution of the strike exists in its true sense and not in the form of a class struggle conceived for it by Marxism. Minister Pinera, for his part, said that the percentage of conflicts has so far been much lower than they had expected and that the vast majority of agreements have been achieved through dialog and reasonableness.

The tenor of the views expressed by labor leaders, however, whether or not they have taken part in the process, is different. Rene Sottolichio, president of the Workers National Command, and pro-government, after deeming that collective bargaining "has developed in normal manner," said in one of his statements that there have been some exceptional cases of employers who have resorted to "disloyal practices." In his opinion, the strike mechanism contains a few flaws that the workers feel must be corrected and will make this known to Minister Pinera.

Former Director of Labor Guillermo Videla comments, "In my opinion, the right to strike, as it is currently being implemented, is an employers' tool, being used to their benefit, and not a workers' means of applying pressure to obtain agreements." Videla has served as lawyer for various unions, including Sumar [Sumar Textile Company] No 1. "There, it was abundantly clear that the employer had no desire to dialog or discuss draft agreements. In 1 and 1/2 months, there were two meetings, taken up entirely by a presentation of the company's position, in the sense that the company was on the verge of bankruptcy as a result of official economic policy, and that any change in the offer it was making would mean shutting down the factory."

Sumar started out by offering its workers the legal adjustment based on the CPI [Consumer Price Index], but would discontinue the existing 15-percent incentive pay. Finally, it offered a 5-percent real wage increase in addition to the CPI increase. "The company did not want to negotiate," Videla asserts, "because a strike would have been to its advantage. It

could liquidate its merchandise in stock, pay no wages or social security taxes, and in this way resolve its problems." The lawyer adds that on the day the strike vote was to be taken, notices had appeared on the blackboards creating the impression that the strike had already begun, "to such an extreme"--he says--"that a labor inspector from San Miguel ordered the writings erased, on the basis that an illegal act had been committed. This proved that the company was inciting the workers to vote in favor of striking."

Responding to the question of whether the strike benefits the employer or the worker, Christian Lomakin, adviser to the minister of labor, says: "This is a false dilemma which, to some extent, reflects a lack of understanding relative to the true object of the law on collective bargaining. The intent of this law is certainly not to legislate solely for the parties involved in it but also to look after the legitimate rights of those who are not represented. The equity of this law must therefore not be measured solely in terms of its equity toward the parties but also in terms of the rights of nonunion workers, the unemployed and consumers."

Huachipato: "They Could No Longer Hold Out."

The strikes that have been resorted to since the end of the 6-year suspension of collective bargaining have gone through various developmental stages, with results showing no marked trend to date on which a forecast can be based as to future aspects of the process. Opinions in this regard also conflict, but, in general, the workers are in favor of modifications. They say: If an employer can hire personnel during a strike, can deliver his stock of merchandise to the marketplace, import if necessary, pay no wages or taxes as long as the strike lasts, and can after 60 days fire the strikers and recontract with them or with others under the conditions he imposes, what pressure are we in a position to exert?

"This strike," says Pedro Briceno, president of the CAP's [Pacific Steel Company] sole union, "is for us not a means of applying pressure, because in our case the company told us that if it needed steel it could import it, and that it could even shut down Huachipato. We leaders advised the workers of this but they voted to strike just the same, because they considered it unfair that their situation had gone without redress for so many years. Our sector has borne the burden of economic readjustment too long."

The workers of the CAP Huachipato plant sustained a 9-day strike but finally went back to work under the company's last offer: a 16-percent raise, inclusive of the CPI increase and quarterly payments of increments of this index, with a 10-percent readjustment. "We were demanding a 100-percent increase," Briceno explains, "because more than 40 percent of the workers earn less than \$5,000, incentives included, and because the company's latest balance sheets show that it can pay more. Of course, everything depends on the company wanting to invest the money."

Briceno's views coincide with those of the presidents of other unions on strike. In the CAP case, the workers accepted the company's offer "because," he says, "the economic situation did not permit them to hold out any longer."

The CAP case is similar to that of Pfizer where, after 31 days on strike, the workers also decided to go back to work without having got what they were demanding. The company offered something like 21.5 percent, inclusive of CPI, and, when the strike started, hired 20 contract employees to provide minimum essential coverage in various sectors of its operations. David Orrego, president of the Pfizer union, feels, "It was a good experience. It gave us an awareness of the solidarity among the workers and all the people. We were also able to assess the law's drawbacks: it makes mediation subject to common agreement between the parties, which hardly works. When there is no agreement, mediation should be imposed."

Christian Lomakin affirms the current system grants power to the worker, "but that power," he clarifies, "is meant to obtain what the collective bargaining law seeks to provide, namely, proper remuneration for productive work contributed. The strike is perfectly in keeping with collective bargaining as defined, wherein the two parties negotiate the value of that contribution." "The strike," he elaborates, "is a refusal by the workers to contribute, made with the object of compelling the employer to accept the terms they have set forth during the negotiation. This power is thus designed to achieve wage levels commensurate with productivity."

Those who oppose the government's labor policy maintain that, in view of the recourses available to employers to "palliate the adverse effects a strike might have on their interests," workers have in many cases been afraid to vote in favor of striking and have resigned themselves to accept what the employer offered. Profarma is cited as an example. The company advertised to hire personnel through the press on the same day that the strike vote was scheduled to take place, and this is believed to have frightened the workers.

"In many assemblies," asserts Guillermo Videla, "I have noted the air of terror that exists among the workers, who dare not even express their opinions for fear of the ever present stool pigeon." He adds that many employers have resorted to what the law terms "disloyal practices," but that the unions do not have the necessary economic resources to bring suit and the Labor Inspectorate frequently cannot intervene with the effectiveness and speed necessary to detect and prevent abuses.

"I can also cite," says Videla, "many examples of employers who have not taken advantage of the loopholes in the law that operate in their favor--like the case of Lota-Green, where I served as lawyer for the workers. A voluntary agreement was reached granting the workers a 15-percent increase plus 5 percent semiannually. The discussions were at all times cordial and the company showed its receptiveness to meeting, within the limits of its capabilities, the demands of its employees."

Of the more frequently heard criticisms of the current right to strike, perhaps the most frequent is the fact that the personnel on strike can be replaced. Christian Lomakin responds: "If we define the strike as the last resort in a negotiation wherein what is being negotiated is wages in accordance with productivity, then the right to strike must only reflect the workers' right to deny their productive contribution. It is absolutely essential, therefore, to allow the employer the freedom to run his business and, among other things, to maintain production even though it may mean hiring replacement personnel who certainly, however, will not produce as efficiently as would those on strike. In the United States, for instance, no objection has ever been raised to the right to hire replacement personnel."

For Now: A Warning

As the deadline closes on this edition, eight of the strikes begun within the legal time limits are still in effect. Among the most prominent ones in current public view is that of Goodyear's (formerly INSA [National Tire Industry]) employees' Union No 1. Things there reached an extreme where a group of strikers' wives went on a 24-hour fast in a Maipu church. "We want to strike at the hearts of those who are running the company," said Clemencia Flores, "and we have prayed very much to God to help them hear the demands of their workers."

The arguments of Oscar Pino, president of the union, for continuing the strike, which is being backed by its 618 members. They have demanded a 16-percent real increase; the company has offered 21 percent, inclusive of CPI. "We have had numerous talks," he says, "but we are going backwards instead of forward. We have yielded, but the company is actually trying to take away a number of benefits we have had until now."

Pino feels that, for his union, the strike is indeed a pressure element, in that as a result of it the company "is losing sales and prestige, is having to pay employees who do not produce, and is taking losses in the form of raw materials that if not processed immediately become unusable." Pino also feels that in other cases there has been "fear of losing jobs and other similar factors. The problem," he says, "is that most of those who are negotiating are new leaders, with new rules of the game, and without a background in union activities that would have prepared them to handle a negotiation."

At the Goodyear union headquarters, QUE PASA also met strikers against Manufacturas Salome, most of them women who had never taken part in a labor conflict. The union president, Luis Turrieta, says, "We have not had access to the company's real balance sheet; when we asked for it, they gave us a tentative one; but we know that the company has done well. We did not want a strike, but they kept boxing us in, giving us nothing to hope for beyond the legally required PCI adjustment while taking away other

acquired benefits, like the 6-percent annual share of profits." The Salome workers are demanding around 20 percent, "because our average wages are around \$3,500," and the preservation of benefits acquired in previous negotiations.

Monica Munoz, also a Salome employee, feels that the pressure being exerted by the strike is not very great, "but at least some employers thought we would not risk it, and the strikes now in progress, though not many, are a warning to them."

The debate over the current right to strike has only just begun and the pressure to modify the legislation, from workers' groups (including pro-government ones, like the CEPCh [Chilean Confederation of Private Sector Employees], that have supported the striking unions), will continue. Meanwhile, the thought expressed by one of our interviewees is worth considering: "The success of collective bargaining must not be measured by the number of strikes but rather by the results of negotiated settlements." As the minister of Labor said at a recent press conference, the average wage increase obtained through negotiated collective bargaining contracts has been about 8 percent above the CPI.

9399
CSO: 3010

COLOMBIA

BRIEFS

BIM COMMANDER REPLACED--Bogota--Gen Miguel Vega Uribe, the commander of the Military Institutes Brigade [BIM], was relieved of his post today and appointed new military attache to Great Britain. An official spokesman announced that a decree on this will be issued by the foreign ministry in the next few hours. Vega Uribe, one of the country's most controversial officers, was BIM Commander for the past 2 years. He will be replaced by Gen Rafael (Oboulio) Forero Moreno who was commander of the Third Brigade Headquartered in Cali. [Text] [PA251955 Bogota Radio Cadena Nacional in Spanish 1730 GMT 25 Jan 80 PA]

FARC-ARMY UNITS CLASH--Bogota--Two officers were killed and one noncommissioned officer was wounded in a clash between members of the second front of the Revolutionary Armed Forces in Colombia [FARC] and units of the Tenerife Battalion who were looking for the guerrillas after Sunday's bloody attack against El Paraiso in Algeciras, Huila Department. A military spokesman said that the clash occurred in a mountainous area on the border between Huila and Caqueta. The guerrillas killed three policemen on Sunday and two soldiers this morning. The slain soldiers were Gregorio Castro and Rafael Pastrana. They had been searching for the FARC guerrillas who killed policemen Ricardo Sanchez Rodriguez, Laurencio Polocha Hiates and Lizardo Gomez Gomez. The guerrillas seized seven carbines, one revolver and 2,000 rounds of ammunition on Sunday. They destroyed the police garrison with 30 grenades, and the seven policemen and one officer who were there surrendered. It was reported that units of the 9th Brigade left for the border between Huila and Caqueta to help in the search for the guerrillas. The noncommissioned officer who was wounded was identified as Jairo Cifuentes Barrientos. [Text] [PA222314 Bogota Radio Cadena Nacional in Spanish 1730 GMT 22 Jan 80 PA]

OCAMPO RESIGNATION EXPLAINED--Government Minister German Zea Hernandez and Guillermo Ocampo Ospina, who resigned as governor of Caldas Department, today gave different explanations on the reasons for Ocampo's resignation. In a letter to the newspaper EL TIEMPO, Zea Hernandez said that the explanation given by the president of the republic and him regarding the motives for Ocampo's resignation should not be questioned. Zea Hernandez said that Ocampo resigned because he lacked political support. Meanwhile from Manizales, Ocampo replied that no one knew the reasons for his resignation

better than he did. In an interview granted to this station in Manizales, Ocampo said that he would not change any of his statements expressed in the resignation letter. Zea Hernandez said, however, that on several occasions he had been tempted to relieve Ocampo, but that no action had been taken so as not to further worsen the governor's crisis. He had hoped the adverse factors building up against Ocampo day after day could be solved so he could continue as governor of Caldas Department, Zea Hernandez added. In conclusion he said that in his resignation letter, Ocampo gave us the impression that he was trying to cover up for his lack of political support. [Text] [PA161302 Bogota Cadena Radial Super in Spanish 2330 GMT 15 Jan 80 PA]

SOLIDARITY OF SMALL NATIONS URGED--Bogota--President Julio Cesar Turbay Ayala today urged all small nations in the world to express solidarity for the creation of a common front with sufficient power and influence over the great powers during these difficult times. In receiving the protocolar greetings of the diplomatic corps on the occasion of the New Year, the president expressed his concern for the disturbing situation which threatens world peace. He noted that Latin America is also experiencing the same situation. He urged all democratic governments to help in preventing the uncertainty we are experiencing in this continent. The representatives of the 75 diplomatic missions accredited to Colombia and the members of the cabinet attended the ceremony. [Text] [PA232228 Bogota Radio Cadena Nacional in Spanish 1730 GMT 23 Jan 80 PA]

STUDENTS OCCUPY RADIO STATION--Bogota, 23 Jan (LATIN)--Forty university students protesting against an educational reform adopted by the government today occupied the installations of the Nuevo Mundo radio station, lead station of the Caracol radio network. The university students entered the station at 1230 (1730 GMT) and demanded they be permitted to speak against the university reform. The directors of the radio network accepted the request and permitted several students to protest against the recent reform. In view of the students' demands to continue speaking, the directors suspended the normal programs and originated their broadcasts from Medellin, 400 km west of Bogota. The suspension of transmissions from Bogota lasted 30 minutes. Police and firemen have surrounded the radio station in downtown Bogota and are trying to dislodge the students who have entrenched themselves in the main control room of this important private radio station. [passage omitted] [Excerpt] [PA231953 Buenos Aire LATIN in Spanish 1902 GMT 23 Jan 80 PA]

M-19 MEMBERS OFFER DEAL--Several members of the 19 April Movement who are being tried by court-martial have told Colombian President Julio Cesar Turbay that they are ready to accept a conviction for rebellion in exchange for the lifting of the state of siege and the repealing of the security statute. The following insurgents sent a letter to the Colombian president: Andres Almalares, Ivan Mario Ospina, Alvaro [name indistinct] Delgado, Israel Santamaria, Carlos Pizarro, Leon Gomez, Afranio Parra, Jose Elmer, [name indistinct] Augusto Lara Sanchez and [name indistinct] Artunduaga. Their letter stated: The prolongation of the state of siege and the security statute means the maintenance of restrictions of freedoms and democratic rights for 24 million Colombians. It means the continued use of the emergency laws that make strikes illegal, repressing the union movement and silencing the people's discontent and protests. [Text] [PA251900 Bogota Cadena Radial Super in Spanish 1100 GMT 17 Jan 80 PA]

ARMY PURSUES FARC--Army airborne units and air force helicopters are being used to reinforce an operation to pursue a front of the Revolutionary Armed Forces of Colombia [FARC] after the army clashed with it yesterday in Cimitarra, Santander. The military came on the guerrillas in Concepcion, Albania, and an exchange of fire left one insurgent dead and two others wounded. One prisoner claimed to be chief of the insurgent group, while another was identified as Maria Barbosa de Pena, mother of the dead guerrilla identified as Ramon Ricardo Pena Barbosa. Troops from the 5th Brigade are in charge of the operations in the mountainous region. [Text] [PA291631 Bogota Cadena Radial Super in Spanish 1100 GMT 29 Jan 80 PA]

COLOMBIAN-CZECHOSLOVAK COMMITTEE MEETS--The governments of Colombia and Czechoslovakia will expand their economic and commercial relations in February when a joint committee of the two nations will study what measures should be taken to achieve this objective. The Colombian foreign ministry confirmed today that a Czechoslovak delegation, headed by the Deputy Minister of Foreign Trade Jaroslav Jakubec will arrive here on 2 February. The delegation includes representatives of that nation's economic sectors. Pursuant to the commercial agreement signed by the two countries on 14 June 1977, within the framework of the system of free convertibility [confertibilidad], the two parties decided to hold the first meeting of the Colombian-Czechoslovak joint committee from 2 to 6 February at the Colombian Foreign Trade Institute [INCOMEX] in Bogota. [passage omitted] The foreign ministry emphasized the importance of this meeting and confirmed that at the end of the talks, a joint communique will be issued outlining the results. [Text] [PA300154 Bogota Domestic Service in Spanish 1730 GMT 29 Jan 80 PA]

GUERRILLAS KIDNAP--RELEASE WORKERS--A leftist guerrilla commando group today captured a bus filled with workers of a Medellin Textile Factory, the local Urban Police Central Command reported today. The guerrillas, masked and carrying automatic machineguns, shouted subversive slogans of the Organization of the National Liberation Army [ELN] which has Marxist tendencies. The guerrillas later released the workers after warning the management of the textile factory that they have to solve in the near future a labor conflict affecting over 5,000 plant workers. The ELN, the second most important guerrilla movement in the country, 5 years ago assumed the responsibility for the murder in Bogota of army Inspector General Gen Ramon Arturo Rincon Quinones. [Text] [PA040332 Madrid EFE in Spanish 2230 GMT 3 Feb 80 PA]

VIOLENCE IN POLITICAL INCIDENTS--Bogota, 3 February (AFP)--One person was kidnapped and five persons were killed in the past 24 hours in Western Colombia in diverse incidents caused by political differences, the police reported here tonight. The killings occurred in the regions of Trujillo, Cartago and Ansermanuevo, all located in Valle Department, 500 km from here. The victims were all shot apparently over party differences. Meanwhile, also in the vicinity of Pradera of the same department, well-known conservative leader Jose Maria Molano, president of the Municipal Council of the neighboring city of Palmira, was kidnapped. As of tonight his captors had not as yet announced any ransom for his release. Some circles believe the kidnapping may have been politically motivated. The authorities of Valle have strengthened their vigilance in the area in the hope of finding the kidnapped leader and to maintain order which has been seriously disrupted in the area in the past few months. [Text] [PA040349 Paris AFP in Spanish 0138 GMT 4 Feb 80 PA]

UNIONS DISAGREE ON WORKER DEMONSTRATIONS--Bogota--The Colombian Workers Union (UTC) has expressed disagreement with the position of the Colombian Workers (CTC) regarding the elimination of demonstrations as a means of protest. The UTC said the CTC position is the result of its internal conflicts. Manuel Perez, a national executive of the UTC, said public protest is a prior step to a civic strike which the Colombian labor forces are preparing. He warned that if the government does not adopt the essential and urgent measures needed to stop the high cost of living, the country's social situation will deteriorate. He added that all self-respecting union leaders should encourage the masses to express their protest in the streets and should promote the workers' struggle. [Text] [PA011428 Bogota Cadena Radial Super in Spanish 2330 GMT 31 Jan 80 PA]

CSO: 3010

COSTA RICA

PRESIDENT TALKS ABOUT LABOR PROBLEMS

PA021713 Panama City Domestic Service in Spanish 0200 GMT 2 Feb 80 PA

[News conference held by Costa Rican President Rodrigo Carazo for Panamanian newsmen on 1 February in San Jose, Costa Rica--recorded]

[Excerpts] [Question] Mr President, do you think that Costa Rica's recent labor problems are related to the existing political instability in Central America?

[Answer] My opinion is that snipers will take advantage of any occasion to fire their weapons. What happened here was one of those occasions in which they acted in their own interests. There is an interesting aspect related to the development of the communist movement in Costa Rica which has to do with the fact that the president of the communist trade union central is also a deputy to the legislative assembly for the Communist Party, and according to our laws and constitution there should be no connection between labor unions and politics. But where do you draw the line in this case? The communist movement has launched a worldwide campaign to take advantage of any problem to create unrest. For example, if we raise the price of corn, they will incite persons who eat tortillas to protest. On the other hand, if we do not increase the price, they will go to the corn growers to get them to start a protest because we have not raised prices. As you can see, they are not interested in the country's problems, only in creating problems.

[Question] Mr President could you tell us what your government has decided regarding the extradition request of Panamanian Abraham Crocamo?

[Answer] In Costa Rica, these things are carried out through legal channels. We cannot arbitrarily take action without any court authorization. However, I understand from reports of the immigration office that there is a lawyer in charge of this case. It is up to the judges to decide.

CSO: 3010

COSTA RICA

RUMOR OF GUERRILLA CAMP BEING INVESTIGATED

PA010449 Buenos Aires LATIN in Spanish 2143 GMT 31 Jan 80 PA

[Text] San Jose, 31 Jan (LATIN)--The National Security Agency (ASN) is investigating rumors of the existence of training camps--possibly being used by Salvadoran guerrillas--in the country's northern region, near the border with Nicaragua, it was reported here today.

The local news media recently reported that groups of armed men involved in guerrilla training activities have been seen in wooded areas of Guanacaste Province according to people of the area.

ASN Deputy Chief Col Johnny Cheverry Samudio, has told reporters that the reports are being investigated although the farms of El Peon, El Hacha, Orosi, Alemania and Los Inocentes in north Guanacaste Province were searched 22 days ago on the basis of similar reports and nothing was found.

The colonel pointed out that during the search there was talk that the armed men seen in the area could be former Somozist guards who were trapped in Nicaragua following the Sandinist victory and fled to Costa Rica.

Cheverry stated that the region has been patrolled several times and nothing strange has been noted so far. He said that there is strict control in the Penas Blancas border post on the Pan-American highway on the border with Nicaragua in case there is any attempt to introduce arms to Costa Rica.

Local observers have noted that it would be very difficult for Salvadoran guerrillas to install camps in Costa Rican territory since they would have to sail 500 km on the high seas to arrive in Costa Rica. By land, the observers said, there are less possibilities since they would have to cross the Honduran border first and then the Nicaraguan border which have both been strongly reinforced since the civil conflict that brought the Sandinists to power in Nicaragua.

CSO: 3010

COSTA RICA

CARAZO DISCUSSES GUERRILLAS, TALKS WITH ROYO

PA020051 San Jose Radio Monumental Network in Spanish 1730 GMT 1 Feb 80 PA

[Excerpt] President Rodrigo Carazo has confirmed that there are guerrillas in southern Costa Rica who want to cause trouble for the Panamanian Government. Carazo made the statement when he received Panamanian President Aristides Royo at Hotel Cariari.

Royo will spend some 36 hours here.

[Begin Carazo recording] Actually, there is a small group on the southern border which has been detected, as the security minister has already admitted. They are in a very inaccessible place and at this moment efforts are being made to arrest them and their leaders in the central area of the country [word indistinct]. [End recording]

Carazo was also asked if the situation brought about by the guerrillas would be a topic of discussion in the talks with Royo. Although he did not answer in the affirmative, he did say that friends always talk about everything.

[Begin Carazo recording] When friends meet they always talk about everything. However, this topic is not scheduled for official discussion. We have several very important ones [word indistinct] fundamental, which will be explained in full details to the press as soon as we (?discuss them) in our working session. I think it will be this afternoon. [End recording]

There is no doubt that the two presidents are interested in the signing of the treaties. One of them deals with the maritime limits and the other with Costa Rica's free transit rights through the Panama Canal.

[Begin Carazo recording] We talked about this (?and) named a commission on 3 March when we met in Sixaola and Yaviza. Work has continued intensely since then. The efforts have already resulted in a fixing of limits. This is fundamental for Costa Rica. We think we will be able to finalize this matter. [End recording]

COSTA RICA

INTERIOR MINISTER ASSURES ARRESTED PANAMANIAN WILL BE DEPORTED

Crocamo Arrested

PA911855 San Jose Radio Reloj in Spanish 1200 GMT 1 Feb 80 PA

[Excerpts] Panamanian [Abraham] Crocamo has been arrested for engaging in political activities here. He had been questioned by the National Security Ministry, which placed him under surveillance. Over 1 month ago he had some problems with the Security Ministry for involvement in his country's politics from here.

Yesterday afternoon National Security Minister Juan Jose Echeverria said that Crocamo was under surveillance because he had been accused of participating in the training of Panamanians for a revolution against the Panamanian Government.

Crocamo was arrested yesterday at 1830 by national security agents. According to his wife, he was alone in his residence at the time of the arrest. He was removed violently, said Marina Pizarro, Crocamo's wife. In fact, we noticed at her home several pieces of upturned furniture and some broken decorations, possibly due to a struggle.

Minister Assures Deportation

PA021939 Panama City Domestic Service in Spanish 0200 GMT 2 Feb 80 PA

[Statements by Juan Jose Echeverria, Costa Rican interior minister, and Carlos Ozores, Panamanian foreign relations minister, to newsmen on 1 February in San Jose, Costa Rica--recorded]

[Excerpts] [Begin recording] [Question] For our listeners in Panama, could you tell us, is it true that Crocamo has been arrested?

[Answer] Crocamo was taken into custody yesterday by national security authorities.

[Question] What are the charges against him?

[Answer] He was taken into custody for security reasons.

[Question] What measures will your government take regarding Crocamo's extradition?

[Answer] The Costa Rican Government decided to deport Crocamo as soon as possible once the Foreign Ministry had refused to grant him political asylum. [End recording]

As you all know, Crocamo is wanted by Panamanian authorities on charges of being involved in a plot to overthrow President Royo.

In connection with the guerrillas along the Costa Rican-Panamanian border, Minister Echeverria refused to make any comment. On the other hand, Carlos Ozores, Panamanian foreign minister, did say a few words to this station in which he indicated that in this afternoon's meeting they fully discussed with Costa Rican authorities reporte carried by Costa Rican newspapers about guerrillas along the border of the two countries. The following are Minister Ozores statements:

[Begin recording] The Costa Rican Interior Ministry and Panama's national guard are coordinating their actions. The reports we have regarding the guerrillas indicate that it is really a small group entrenched in a remote area which has been surrounded for a final operation which will soon be carried out. The Panamanian Government does not see this group as a threat to its security; nevertheless, we do appreciate the cooperation we have been receiving from the Costa Rican authorities. [End recording]

We are in a position to report that Costa Rican interior minister did admit that an arrest warrant has been issued against Humberto (?Zabdek) who has been training some Panamanians in the Echandi Mountain and Piedras Caliente regions.

CSO: 3010

COSTA RICA

BRIEFS

SUPPORT FOR JUNTA EFFORTS--Costa Rica today joined the group of countries that in the past 2 weeks have reiterated their support for El Salvador's ruling revolutionary junta which is bent on carrying out a process of democratization and social change. This is opposed by the armed extreme left and hot-headed extreme rightwing groups. Costa Rican Vice President Jose Miguel Alfaro said in El Salvador this afternoon that his government supports the efforts of a government that is looking for constitutional, democratic and humanitarian solutions to its problems. He was accompanied by [Deputy] Presidency Minister Jorge Poveda. The Costa Rican vice president and the [deputy] presidency minister met with members of the Salvadoran ruling junta and Alfaro said they discussed the social change that the new Salvadoran regime is pursuing. This is the second time in less than 24 hours that another Latin American nation has acknowledged the efforts of the Salvadoran rulers. An Andean Pact delegation that visited this country on Wednesday also voiced its support for the Salvadoran junta. Last week the United States voiced its approval of the government work of the Salvadoran junta.
[Text] [PA010313 San Jose Radio Reloj in Spanish 0100 GMT 1 Feb 80 PA]

MEETING WITH CARAZO 'WORTHWHILE'--Costa Rican President Rodrigo Carazo and Panamanian President Dr Aristides Royo met this afternoon during a working session of almost 3 hours. The Panamanian president said the meeting was very worthwhile and concerned development and cooperation along the common border. They also discussed maritime borders and the possibilities of technical assistance in some areas. [Excerpt] [PA020446 San Jose Radio Radio Reloj in Spanish 0100 GMT 2 Feb 80 PA]

PANAMANIAN OPERATION AGAINST GUERRILLAS--San Jose, 1 Feb (ACAN-EFE)--About 1,200 Panamanian national guardsmen have been stationed along the border with Costa Rica as a result of the report that camps to train guerrillas to overthrow the Panamanian Government have been discovered in the area, the local newspaper LA PRENSA LIBRE reported here today. The newspaper indicated that the Panamanian national guard has begun a large operation along the border region to prevent the guerrillas from carrying out their plans. LA PRENSA LIBRE added that the Panamanian national guard is maintaining intense surveillance with helicopters over Echandi Mountain where the guerrillas are said to be located. The newspaper also reported that

according to residents of the region, prolonged shooting was heard 3 weeks ago in the area known as "Quijada del Diablo" in Costa Rica. "There is great fear among local inhabitants due to the operations of the Panamanian national guard and the existence of guerrilla camps. They are afraid that an armed confrontation could occur," the paper added. The newspaper said "it is known that Panamanian guardsmen have tried to enter Costa Rican territory to try to capture the guerrillas but they have been prevented from doing so by the Costa Rican authorities." [Text] [PA021633 Panama City ACAN in Spanish 0045 GMT 2 Feb 80 PA]

EVIDENCE OF GUERRILLAS IN SOUTH--Public Security Minister Juan Jose Echeverria held a news conference yesterday afternoon, to discuss the possible presence of Salvadoran guerrillas in the country. Some of the media carried reports that Salvadoran guerrillas are training in the north to fight for their country's liberation. The newsmen used rumors and reports from [word indistinct] people, the security minister said, and added that these are nothing but rumors because he sent his people to make an inspection and they found nothing. It is not true that there are guerrillas in the north. According to the reports, the guerrillas were receiving training at Cerro Hacha and El Penon. In addition, the reports indicated that there were guerrillas at Rincon de la Vieja, but all this is false, the security minister said. Now there is a rumor that a group of guerrillas is in Desamparados waiting for instructions to join the revolutionary forces, but this is not true either, Echeverria said. A search operation was launched in response to a report from the south. Evidence was found that paramilitary people had been training at Piedras Candelas and Las Mellizas. We were able to verify that there were people in the area, the security minister explained, adding that a cleanup operation will be launched soon in the area to avert possible international problems. [Text] [PA011732 San Jose Radio Reloj in Spanish 1200 GMT 1 Feb 80 PA]

ROYO SIGNS BILATERAL AGREEMENTS--The president of Panama has concluded his visit to Costa Rica. Carazo and Royo signed agreements on the use of the canal and on sea limits. President Royo and his retinue left the country a few minutes ago. Carazo and Royo reiterated good friendship principles. President of Panama Dr Aristides Royo made a 32-hour visit to our country. This visit concluded a few minutes ago when he left Costa Rica. After visiting the (Puripíari) area this morning and signing a joint declaration and two bilateral treaties at the Yellow House, the president of Panama concluded his official visit of 1 and 1/2 days to our country. Aristides Royo and his retinue held working meetings with President Carazo and several of his ministers. They analyzed the achievements of their two countries in the fields of economy, education, culture and development. Carazo and Royo signed two bilateral agreements establishing the sea limits and the use of the Panama Canal. Regarding sea limits, the two countries will cooperate in coordinating the conservation measures of each state that apply to the sea areas under their sovereignty. Regarding the Panama Canal, Costa Rica will have free transit as of 1999. [Text] [PA030342 San Jose Radio Reloj in Spanish 0100 GMT 3 Feb 80 PA]

ENVOYS TO EL SALVADOR--Vice President Jose Miguel Alfaro Rodriguez and Jorge Poveda Quiros, deputy minister of the presidency, left for El Salvador on a special mission this morning. Although the topics to be discussed by the two officials with members of the Salvadoran Government junta were not disclosed, it was said that the Costa Rican Government hopes for a definitive solution to the Salvadoran crisis. The officials' mission will be to contact the members of the Salvadoran junta and discuss matters related to the Central American situation and the need to reorganize the Central American common market. This is the first high-level mission sent by the Costa Rican Government to El Salvador to discuss matters which have not been revealed. It was learned that Costa Rica is interested in having peace returned to the Central American countries, hence these contacts with the respective governments. Alfaro Rodriguez and Poveda Quiros will return to San Jose tonight. [Text] [PA312152 San Jose Radio Reloj in Spanish 1730 GMT 31 Jan 80 PA]

NORTHERN, SOUTHERN BORDER PATROLS--San Jose, 3 Feb (ACAN-EFE)--Fernando Munoz, director general of the Costa Rican Public Security Force, today said 100 civil guardsmen have been sent to the northern border to investigate claims of the existence of training camps for Salvadoran guerrillas. He said the police platoon will remain in the area several days, and use helicopters to try to find the guerrillas. The guardsmen were sent to several small towns along the Nicaraguan border, where the guerrillas are supposedly preparing for an attack against the Salvadoran Government. Meanwhile, another group will be sent to the Panamanian border, where it has been reported that there are armed groups preparing for an attack against President Aristides Royo's regime. It has been reported that the Panamanian army has located them and it is feared that an armed clash between the two groups has occurred. [Text] [PA032003 Panama City ACAN in Spanish 1929 GMT 3 Feb 80 PA]

COSTA RICA, PANAMA PRESIDENTS' MESSAGE--The presidents of Costa Rica and Panama have condemned the incidents at the Spanish Embassy in Guatemala during which more than 39 people died. Both presidents said this is a violation of human rights and of humanitarian and international law principles. Those feelings were conveyed to Adolfo Suarez, Spanish prime minister, in separate cabled messages sent by Royo and Carazo. [Text] [PA020448 San Jose Radio Reloj in Spanish 0100 GMT 2 Feb 80 PA]

BLACK SIGATOKA DETECTED--Experts have confirmed an outbreak of black sigatoka in the plantain plantations in Guapiles, Juan Jose (May), of the plant disease bureau of the Agriculture and Livestock Ministry, has reported. Since it has been confirmed in the plantain plantations, the banana plantations in the vicinity are also being inspected, (May) reported. He said it is difficult to determine the presence of the blight because samples have to be sent to the laboratory and exposed to certain temperatures and humidity. The area affected by the blight in Guapiles is minimal, (May) said. He said that according to the phytopathologists' reports, only about 1 or 2 hectares have the disease in the Atlantic area. He added that the black

sigatoka found in plantains in Guapiles is mixed with yellow sigatoka. Several samples from the banana plantations have been sent to laboratories, (May) reported. He said this is to determine if the disease exists in the banana plantations in the Atlantic. He added that the possibility has not been dismissed that black sigatoka may have reached the banana plantations since it has been detected in plantains. It is expected the test results will be ready early next week, (May) said. He concluded that once these results are available a report will be made on the presence of black sigatoka in the banana plantations of this region.

CSO: 3010

CUBA

UPRISING AGAINST FIDEL CASTRO EXPECTED AFTER SHOOTING DUEL

Caracas ULTIMAS NOTICIAS in Spanish 23 Jan 80 p 22

[Text] In responsible circles of Caracas it was believed that the situation of Cuba is that of a country which is exploding after two decades of Castro-communist dictatorship. The report published by the evening paper EL MUNDO caused a sensation and was confirmed by several recent travelers who have told stories which corroborate the story about the confrontation between Fidel Castro and his brother Raul. They also confirmed that in the streets of Havana it is denied that the dictator's secretary, Celia Sanchez, died of cancer.

Raul Castro, who controlled the armed forces, maintained the hardest line in the regime. He has ceased to frequent the places where he was usually seen such as the places where his offices are. His own bodyguards have disappeared from circulation. The story about the shootout between the two brothers, in which Celia Sanchez was allegedly killed, has the ring of the truth, among other reasons, because of the violence which has characterized the actions of Fidel and Raul.

Many fundamental points separated the brothers. Fidel Castro, with the opening of exile, was trying to separate himself from Russia so as to find in the United States those things needed to bring the people out of the poverty in which they live, the hunger suffered by the most humble classes and the economic disaster in all aspects. Raul Castro, whose militaristic nature has been traditional, was opposed to the opening of exile and more than once had dangerous arguments with Fidel, who is known as "The Horse." These outbursts between the two individuals acquired the aspect of a tragedy with the Soviet invasion of Afghanistan. As the president of the Third World, Fidel Castro found himself cornered when the majority of the Third World countries in the United Nations declared themselves against the Russian attack on the Afghan people. That is the reason the dictator withdrew his support from the Soviet Union.

Raul Called Upon Him

Not only did Raul Castro call upon his brother to give his unconditional support but he urged that Cuban troops be sent to Afghanistan to collaborate with the Russian armies in subjecting the Afghan people by force.

According to the stories by the last Venezuelans to return from Cuba, there is talk in Havana streets about the fight with revolvers between Fidel and Raul. The place is not mentioned, but the people of Havana have become bolder and they speak loudly, protesting the lack of food, the absence of even minimum acceptable living conditions, and the boldest even dare to agitate and raise hopes in the shops and other work places. There are even slogans against the regime painted on the walls such as: "We prefer Batista with bloodshed than Fidel with starvation."

Fidel Wounded and Celia Sanchez Killed

Celia Sanchez, a skinny woman without any feminine attractiveness, has been the dictator's permanent secretary. Her loyalty goes back to the days when Castro installed himself in the Sierra Maestra and began to arm his army of bearded men. There was no person who Fidel trusted more than he did Celia, particularly since there was no erotic relationship between them, since the Sanchez woman was not attractive in any way and was very mannish. Nevertheless, she was his shadow. It was said that she was the one who prepared the places where The Horse spent the nights in Havana after he became the absolute master of Cuba.

It is not strange that the violent arguments between Fidel and Raul took place before Celia Sanchez. To the surprise of the people of Havana, one fine day her death of cancer was reported, although it was never known that she was ill. Raul Castro disappeared at the same time. Then the most contradictory stories began to circulate. Among them were those of some officials of the regime, who do not appear to be too happy with the course of events, who declared among their closest friends that there had been a clash between Fidel and Raul and that during that clash it is certain that Celia Sanchez was killed, that Fidel was wounded and Raul was presumably killed or imprisoned.

The Regime is Collapsing

The deterioration of the Cuban Socialist State has reached an extreme state and the Cuban people have hurled themselves headlong into the fight. For example, the neighborhood committees, the cells which supported the regime and which day and night watched the movements of every block in Havana, have ceased to be a threat feared by the people of Havana. Thousands of them were locked up in the dungeons of La Cabana, and during the early years of Castro-communism many were shot by firing squads after being accused by these committees. But now no one wants to be a "chivato," which in Cuban slang means informer, a "sapo" in our language.

Ultrasecret Report Arrives in Caracas

The Venezuelan Government is working on the confirmation of a report it has in its possession about the events in Cuba, which in a certain way explain the successive aggressions by the police of the Castro dictatorship against the embassy of our country in Havana and as a result of which at least three Cubans who tried to seek asylum in the Cuban Embassy [as published] were killed.

This secret report has details on this situation, which could suddenly result in the fall of Fidel Castro and a struggle for power among the communist factions, but whose final result will be the eradication of the Castro-communist regime and the restoration of democracy in Cuba.

Cuban Ambassador "on Vacation"

Fifty days ago, Fidel Castro's ambassador in Caracas, Norberto Hernandez Curbelo, and his wife Rosa de Hernandez, went to Havana on "vacation." The wife of the Cuban diplomat is a member of the circle of the elite and a relative of the deceased Celia Sanchez. The prolonged vacation of the Hernandez Curbelo couple has aroused great attention in Caracas diplomatic circles and there have been many comments. It is understood that the Fidel-Raul crisis acquired intensity during this "vacation" or that Hernandez Curbelo was required as another consultant in view of the deterioration of the regime, in what appears to be, definitively, the fall of the dictatorship.

8908
CSO: 3010

CUBA

NINTH PCC PLENUM AUTHORIZES MEDIA CRITICISM OF DEFICIENCIES

Havana GRANMA in Spanish 16 Jan 80 p 2

[Document approved at Ninth Plenum of Central Committee of PCC:
"Strengthening the Practice of Criticism in Mass Media"]

[Text] The PCC [Communist Party of Cuba], in its fight against mistakes, negligence, laxity, expediency and deformations that hinder the progress of our society, directs, promotes and endorses the practice of criticism as an extraordinarily important weapon, decisive for progress in the construction of socialism. Criticism is inseparable from the life of the party; it helps correct deviations and stimulates the participation of the masses in the solution of obstacles and problems. It not only helps us correct defects and carelessness, but in-depth criticism that is used well helps find the causes of negative factors that occur in several different places. If criticism is not just condemnation but investigation of why something has occurred, it will be a powerful aid to improve mechanisms and methods and achieve better development of our system and more success in our work.

The resolution of the Eighth Plenum of the CC [Central Committee], the speeches of comrade Fidel Castro, first secretary of the party, during the last session of the National People's Government Assembly, the resolution of the Political Bureau directed to the base organizations and the second secretary's recent speech on the 20th anniversary of Camilo Cienfuegos' disappearance all concerned weaknesses and deformations in different sectors of society. These have reached the party members and all the people, revitalizing the spirit of struggle against incorrect attitudes and methods everywhere.

It is the constant task of the party to promote criticism and educate party members, leaders, officials and all the workers in the correct attitude toward it. When mistakes are not understood or deficiencies are not analyzed and when there are defensive reactions and justifications, there is a good chance that the mistakes will be

repeated. One of the essential ways for the party, the state and the masses to carry out the demanding policy presented by Fidel is being hindered.

It is necessary to stimulate the development of criticism in the party organizations and the state institutions. The press organs and other mass media play an important role in this.

In criticism, there must be a clear distinction between the opinion of a class enemy and criticism that values the work of those who make up the ranks of the revolution. Their deficiencies would not respond to hostile opinions of our ideology or our policy. Criticism is an instrument that aids even those to whom it is directed.

The practice of criticism assumes, first, the examination of a certain situation or deed without being necessarily associated with or translated into censure or rejection. Criticism under socialism is based on veracity, awareness of its social usefulness, loyalty to principles, seriousness and responsibility in those who practice it and fraternal spirit and constructive intentions.

The fear that criticism hurts authority is banished when the social significance of discovering errors and deficiencies is considered. Authority is not weakened by criticism when there is a correct attitude toward it, when there is an attempt to correct errors and when the workers and the people are given the attention that they demand, the principle underlying true authority.

Criticism is more effective when it is concrete and direct, presents problems in a positive way, points out those responsible for the deficiencies and contributes suggestions to help find solutions.

The leading role of the party, the development of its internal democracy and the increased ideological level of its members and the masses are strengthened by the expansion of criticism and self-criticism which are closely tied to all partisan activity.

The right and duty of criticism are consecrated in our party statutes and are basic to the operations of the state organs established in the Constitution. Article 53 of the Constitution also recognizes it as one of the rights of the citizen.

These precepts are an expression of socialist democracy.

The paper "On Mass Media" and the corresponding resolution approved by the First Party Congress established the need to systematize the practice of criticism and formulated ways to develop it.

There have been many efforts to apply this resolution of the First Party Congress. Nevertheless, an analysis of the work done and the

results obtained demonstrates that sufficient depth has not been reached in the practice of criticism. It has frequently been limited by deficiencies in the fulfillment of duties by the press organs and the journalists themselves, among other factors. They lack experience, specialization in the subjects that they cover and precision in information.

There have been repeated efforts in the field of satire, inspired by a positive intention but the objectives have not been attained. Frequently the establishment of accountability and the solutions needed are diluted by humor and there is no message that leads to reflection and analysis of the problems presented. Criticism through humor is of unquestionable value and can be effective if it gets away from glibness and vulgarity and sensitizes the masses.

The regular sections where letters to our press organs from the readers are published have a positive balance and show increasing responsibility. The people are aware that the law helps them and they have the duty to practice criticism, to demand a credible response and to encourage others to fulfill their collective obligations.

"By Return Mail" in GRANMA, "Correspondence" in JUVENTUD REBELDE and BOHEMIA and similar sections in other press organs receive thousands of letters which critically report problems in our society. This experience--notwithstanding limitations like the lack of mechanisms to require a response--is a step on the road to more effectively tie the party and the state to the masses.

The provincial press is also interested in exercising its critical duty. This has had positive results, basically because of the concrete nature of the problems presented and the chance to solve them locally. The agreements adopted on this by different provincial committees have helped greatly.

Efforts realized until now show the intention of fulfilling this aspect of the resolution of the First Party Congress but these expressions of criticism are still very limited and, in general, treat problems inadequately without carefully examining all elements to determine its causes and consequences. Also the answers given by the organizations and comrades mentioned are frequently superficial and filled with justifications.

Greater determination is required. The political and ideological development reached by the leadership cadres and the masses has established the premise to expand and deepen criticism as well as increase its effectiveness.

The practice of criticism must play an important role in the fight to eliminate the obstacles to economic development and combat

deficiencies of every type, antisocial behavior and violations of socialist law. Critical judgment should also objectively point out the success achieved in the construction of socialism without resorting to apologies or to negative practices like publishing goals and pledges without subsequently reporting results, overfulfillments reached because of inappropriate quotas and isolated or unimportant achievements in activities that, as a whole, face serious problems.

The press organs must unhesitatingly state the person or persons responsible for the errors indicated. The practice of criticism and, consequently, self-criticism in the press will effectively help eradicate petit-bourgeois ideological manifestations.

Our own mass media are subject to the daily criticism of their readers, listeners and television and movie viewers; the media should set an example and react with prompt and appropriate responses.

This does not mean encouraging sensationalism or superficial opinions or, of course, filling our newspapers with unimportant criticism. It means that the mass media should responsibly and energetically make in-depth analyses of deeds and issue serious judgments and evaluations that contribute to the achievement of common objectives.

Nevertheless, the mass media's responsibility for the practice of criticism has not been understood, on occasion, by organizations and institutions, leaders and officials and party cadres and members. This lack of understanding is shown in attitudes like giving evasive responses, ignoring criticism, refusing to provide information and hindering the press' access to the work centers, participation in assemblies, etc. Occasionally there are even reprisals against the journalist or worker who presented the criticism.

In the fulfillment of their obligations, the press organs have not always found state organizations which they have asked for information or sources that they needed willing to cooperate. There is also ignorance about the prerogative of the leadership of the press organs to determine if certain criticism or information should be published or not.

The receptiveness of our leaders and officials toward criticism shows their ability to reflect, the solidity of their political training and their awareness of the responsibility to the masses that they have acquired. Comrade Fidel is a constant example of passionate loyalty to principles and devotion to the truth. He has been the strictest in self-criticism and demand.

The need to raise the levels of the practice of criticism is obvious in order to contribute to the systematization of demand as a work

method and to the struggle against errors and deficiencies committed in our society, keeping in mind the experience accumulated in recent years. Therefore, the Ninth Plenum of the CC of the PCC directs:

The Mass Media

To analyze, draw up and undertake measures to improve the practice of criticism based on the principles outlined by the First Party Congress in the paper and resolution on mass media.

To have their criticism contribute to the fulfillment of the agreements adopted by the Eighth Plenum of the CC and the just objective of intensifying and systematizing demand as expressed in the recent speeches by the first and second secretary of the party and in the Political Bureau decree directed to the base organizations.

To set priorities and resolutely include criticism aimed at supporting the fight for the implantation of the Economic Management and Planning System, the fulfillment of quotas--especially everything related to the efficient completion of the sugar harvest--proper confrontation of difficulties and elimination of deficiencies that hinder economic development; to fight against all manifestations of immobility, expediency, negligence, bureaucracy, disorganization, irresponsibility, lack of discipline, administrative laxity, waste, irrational use of material and human resources; and to combat anti-social behavior and all vestiges of bourgeois and petit-bourgeois ideological attitudes within our society, especially in those who are in responsible positions.

To reveal deficiencies in services, criticizing negligence, lack of interest and sensitivity and mistreatment of the public.

To unhesitatingly state, in each case, the person or persons responsible.

To give careful attention to all letters received at their offices, to regularly publish the workers' opinions as well as summaries of letters and, when necessary, to request the attendance of party leaders, leaders of organs of people's government, the administration and the unions to analyze and comment on that correspondence.

To expand the practice of criticism to all types of journalistic activity and systematize the regular sections on criticism, improving them through frequent verification of their acceptance and effectiveness.

To increase demand of the journalistic personnel with the objective of preventing superficiality and lack of in-depth examination of all the factors involved in the matter presented and to insure that the

criticism is constructive, precise and fraternal in accord with the paper approved by the First Party Congress.

The Union of Cuban Journalists

To systematize and improve the specialized seminars for journalists in order to expand and deepen their knowledge about the political, ideological, social and economic development of the country.

The Organizations of the State Administration

To support the mass media by promoting critical examination of their administration.

To provide reports and documentation to the leadership of the press organs for the fulfillment of their duties and to make sure that the leaders and officials respond to journalists who request information.

To demand from subordinates the correct response to criticism-- serious and credible explanations, not justifications.

To keep themselves informed about the principal problems presented in workers' letters, to answer the invitations from the press organs to analyze the criticism in those letters and to insure, through their contribution, that the practical measures adopted or to be adopted by the organization to eliminate the indicated deficiencies are always included in the corresponding responses.

The Mass and Social Organizations

To promote, stimulate and vigorously support the practice of criticism within their own organizations and in all their actions, always endorsing the fact that it is necessary in the mass media.

To insure that the unions practice and promote an active critical attitude toward all deficiencies, that they demand, stimulate and endorse the practice of criticism by the mass media and that they establish a close tie with the press in the critical analysis of the economic administration of each work center, particularly concerning discipline and the general behavior of the workers.

The UJC [Union of Young Communists]

To promote in communist youths a desire to be in the vanguard in the denunciation, confrontation and solution of deficiencies and errors in the practice of criticism and self-criticism facing the presentations in the mass media and to contribute to responses and solutions.

The Party Organizations

To demand and resolutely support the practice of criticism by the mass media, to be the first and most important source of information for the analysis and explanation of deficiencies and to orient the press organs and journalists as to the scope and consequences of problems that should be covered; to play its role better as maximum expression of the critical conscience of society through a consistent attitude toward criticism and self-criticism within its organizations and in the work of all its organizations and base organizations, its auxiliary departments and the individual behavior of each one of the party leaders, members and aspirants.

To demand that its leaders, officials and members carry out their responsibilities involved in imputed and verified deeds criticized by the mass media and to be intransigent toward any attempt at justification or evasion which shows lack of respect for the criticism in question.

For the leadership organizations of the party, within their radii of action, to demand and guarantee that all just criticism presented in the mass media is analyzed thoroughly and the pertinent political or administrative decisions adopted and made public through the same press organ that published the criticism.

For the party nuclei or committees in the work centers that are the object of criticism, to develop the political work of persuasion, demand and supervision so that the leaders, administrative officials and workers criticized will act correctly concerning the criticism of their deficiencies and errors and to give superior organizations their opinions on the matter.

To act energetically against any attempt to silence criticism or carry out reprisals against journalists, officials or workers for reporting errors and deficiencies and to promote maximum publicity of the denunciation of such deeds.

The CC of the PCC will keep itself informed about the most frequent problems mentioned in the workers' letters to the mass media. The Political Bureau and the Secretariat will examine and adopt decisions on the more important proposals and opinions expressed in those letters.

The Ninth Plenum of the CC recommends that the necessary mechanisms of control be implemented to guarantee that, when there is criticism, the people involved respond to it within 30 days in the same mass media organ in which it was published.

It also recommends to the Executive Committee of the Council of Ministers that it periodically examine the attention that the organizations of the state administration give to letters with criticism and suggestions received by the mass media organs which, even if not published, indicate a certain state of opinion by repeating a problem or concern.

The Secretariat of the CC will supervise compliance with this resolution and will report periodically to the Political Bureau.

Approved by the Ninth Plenum of the CC of the PCC held 28 November 1979, "20th Year of Victory."

7717
CSO: 3010

CUBA

NATIONAL POLICY TOWARD POLITICAL EXILES DEFENDED

Havana JUVENTUD REBELDE in Spanish 14 Dec 79 p 2

[Article by Susana Lee]

[Text] "...we have become aware that there are a series of problems that are of interest to the Cuban community...they are problems to be analyzed and discussed. I can express our willingness to discuss these problems with the Cuban community." (Fidel, 6 September 1978, from his conference with a group of Cuban newsmen who write for the Cuban community abroad and with several American newsmen)

Two and a half months after that press conference, on 20 and 21 November, the first round of meetings between representatives of the Cuban community abroad and Cuban authorities took place in the Palace of the Revolution.

Seventy-five persons from various community organizations and groups attended these talks, in response to the invitation extended by the Cuban Government and to the overtures made by the chairman of our Council of State.

Members of the Executive Committee of the Antonio Maceo Brigade, members of various religious orders, intellectuals, scholars, former leaders of counterrevolutionary organizations, newsmen, union representatives, merchants, professionals, politicians, etc residing in the United States, Puerto Rico, Spain, Mexico, Venezuela and Costa Rica, met in the Cuban capital to analyze and discuss three basic points: 1) the problem of individuals who have been arrested for counterrevolutionary crimes; 2) the reunification of families, and 3) possible visits to Cuba by persons of Cuban nationality or origin who reside overseas.

The wideranging and fruitful discussions over these 2 days, which were held in an atmosphere marked by freedom, a conscientious approach and mutual respect, reached several conclusions:

The Government of Cuba would proceed to pardon and release 3,000 persons imprisoned for crimes against the security of the state or the integrity of the country and 600 persons sanctioned for violating the emigration laws (including all imprisoned women, without exception). It would authorize them and their immediate relatives who so wished to leave the country for the United States or other nations. Only persons guilty of extremely grave crimes during the period of the tyranny or elements linked to terrorist groups were excluded from these benefits.

The Cuban Government would also authorize: the departure from the country of persons now free who were imprisoned for similar crimes and of their immediate relatives who express a desire to move overseas; the permanent departure to the United States or other countries, for humanitarian reasons, of persons having direct family ties with residents of those nations; and starting in January 1979, visits to Cuba by Cubans residing abroad.

During the dialog the representatives of the community brought up many other issues, such as the creation of a Cuban state institute to handle matters relating to the Cuban community abroad; the right of repatriation; possible scholarships for young Cubans; the possible participation of children residing overseas in pioneer camps; exchanges of Cuban artists, intellectuals and professionals; the legal status of emigrants; possible links between persons residing overseas and national social and mass organizations; the suitability of avoiding a publication aimed at the overseas Cuban community, etc. An agreement was reached that the Cuban Government would study these issues and try to come up with the fairest and most reasonable solutions.

These conclusions were examined and formalized by the signing of a memorandum 2 weeks later, on 8 December, also at the Palace of the Revolution. This was at the close of other sessions that were attended by almost all of the participants at the initial round plus a group of invitees, bringing the number to 140.

"This was not a meeting for us or for you to make propaganda. It was not a meeting for us to pretend that we are like this or like that. In reality, I think that at this meeting you have been yourselves and we have been ourselves. And we have discussed things together with absolute sincerity, with absolute trust... Our primary interest from now on is to carry out everything that we have agreed upon to the last word, comma and period, so that it cannot be said of us, inasmuch as most of the task is now up to us, that we failed to carry out absolutely everything and that we did not do so with total honesty." (Fidel, 8 December 1978, speaking to the participants in the dialog at the close of the second meeting)

A Summary in Facts and Figures

We can narrow down a review of the dialog's results 1 year after the initial talks to the following concrete developments:

In late October and early November of this year, the last group of 3,600 persons jailed for crimes against state security and violations of emigration laws was released, in strict compliance with the program agreed upon at the meeting with representatives of the community.

To date, around 1,300 of them have traveled to the United States, Venezuela, Costa Rica and other countries, together with their immediate relatives, on flights chartered by the Committee of 75 of the Dialog. This process could not have been hastened, because of the delays caused by American authorities in granting permits to enter the United States.

Owing to similar difficulties in the issuance of these permits, the number of former prisoners and their relatives who have expressed a desire to move to the United States pursuant to the agreements of the dialog is still small (about 1,200).

More than 100,000 Cubans residing abroad, mainly in the United States, have visited Cuba since January of this year.

Authorizations have begun to come through for permanent or temporary departures to the United States or other countries for humanitarian reasons.

Numerous trips have been taken by youths, intellectuals, artists, small-scale industrialists, merchants, members of religious orders, business executives, union activists, scholars and representatives of other segments of the overseas Cuban community who have expressed an interest in visiting our country, getting to know its realities and meeting their counterparts. These exchanges have been very fruitful.

"The Cuban Government has thoroughly fulfilled the agreements made during the dialog with representatives of the overseas Cuban community," Reverend Jose Reyes, the chairman of the Committee of 75 of the Dialog, stated recently at a press conference.

The course covered to reach this point has not been devoid of dangers, threats, defamatory campaigns, terrorist actions and even murders, such as the slaying of Carlos Muniz Varela last April in Puerto Rico and of Eulalio Jose Negrin less than 2 weeks ago in New Jersey.

The dialog, its agreements, its participants and its sympathizers have been the focus of this new assault on the revolution.

Attempts have also been made to halt the process in more subtle ways, such as the pseudo-crisis that President Carter and his advisers invented last August in connection with the "Soviet combat brigade" and that was all too clearly exposed as a sham. We do not doubt that in addition to the higher interests that our commander in chief duly cited, it was designed to create a climate of insecurity and hesitation among Cubans residing in the United States, thousands of whom wish to visit their relations.

And then there are the actions that have been insidiously taken even by the initial beneficiaries of the dialog, the pardoned prisoners, who have been able to travel to the United States because of the efforts exerted by the Committee of 75.

At every moment, however, these intentions (read "ill-will") have run up against the reality of the situation. This reality can be seen in the specific developments that we have noted; in the wishes of the overwhelming majority of the overseas Cuban community, who see the path charted by the agreements of the dialog as the only one leading to family reunification; in the struggle that the community itself is waging to have the criminal blockade against Cuba lifted, and in the irreversibility of the Cuban Revolution, a reality that is impossible to deny after almost 21 years.

8743

CSO: 3010

PRESS CRITICISM ELICITS REPLIES ON POOR SUGAR YIELDS

Havana BOHEMIA in Spanish 11 Jan 80 p 20

[Article by Andres Rodriguez]

[Text] Why was there a drop in yield?

Under this headline, we published a BOHEMIA Economica article on 31 August 1979 on the subject of unanswered questions relating to the problem of sugar yield in the country's most important industry. That was the beginning of a newspaper investigation of this subject, which is materializing--as this edition of BOHEMIA hits the streets--in the Camaguey municipality of Carlos Manuel de Cespedes, the site of conflicting charges in this regard.

Another BOHEMIA Economica report will be issued on this investigation in the near future. At this time, however, we will make reference to the correspondence which this subject--very important because of its impact on sugar production--has generated since the publication of the above-mentioned article.

First, we should like to express our appreciation for the interest shown by a group of our readers. In fact, we have received letters from different places in the country, including one from a combatant who is providing internationalist cooperation on Ethiopian soil. However, because of space limitations, we have selected a few of the letters of greatest interest.

Fausto Pino C., from Holguin Province, is of the opinion that with respect to sugar yield, from the agricultural standpoint (he does not comment on industrial considerations), there are five fundamental causes:

1. The increase in mechanized cutting.
2. The irrigation of the sugarcane almost up to the time of its harvesting.
3. The lateness of the harvest.

4. Inadequate vigilance to insure compliance with the technical standards in cutting. The part of the sugarcane closest to the ground has the highest sugar content.

5. The selection of species with high sugar yield.

Francisco Tamayo Soler, from Arroyo Apolo, in Havana city, in a five-page letter, gives his opinion at length on the problem which concerns us. Obviously, we cannot reproduce the letter; however, faithfully interpreting his thoughts, as we think we have done, it can be said that Tamayo focuses his attention on the enormous prolongation of the sugar harvests which definitely are almost entirely responsible for what is happening.

A chemist who was in the sugar industry for 49 years, we must say that Tamayo Soler does indeed state his viewpoint solidly. In consideration thereof, we promise him in this column that we will visit his home to gather more information on the subject.

Finally, there is a 10-page letter sent from Santiago de las Vegas by Francisco Santana, an old sugarcane cutter.

At first reading, it seems that in his letter old timer Santana is attacking mechanized harvesting because he considers it to blame for the drop in yield. However, a closer reading reveals that he is really attacking shoddy work and gross violations of the technical standards throughout the process of mechanized harvesting, including the cane collection storage centers.

He also assails other thieves of yield, e.g., the fact or practice of not weighing the sugarcane-removing carts on each of their trips. This practice, according to Santana, lends itself to the trick of putting pieces of metal on the undersides of the carts, thus getting a sugarcane weight reading that is not correct. The old canecutter concluded by saying that under capitalism, the carts were weighed on every trip and that the revolution should continue doing this countrywide.

Finally, citing specific examples, he makes reference to the plowing and sowing, in a period of only 3 days, of the farm of small farmer Ezequiel Rodriguez, in the area of the Manuel Martinez Prieto surgarmill. "Whoever permitted that," Santana concluded, "should be taken before the courts."

8143
CSO: 3010

CUBA

KTP-2 SUGARCANE COMBINE HARVESTER PASSES FIELD TESTS

Havana ATAC in Spanish May-Jun 79 pp 4-10

[Article by Jose Vazquez: "The New Cuban KTP-2 Combine Successfully Passes Operational Tests"]

[Text] "Basically, we have to produce the KTP-1, which is the machine we know, but we can now advance progressively, experimenting and improving the KTP-2. And the day will come, I do not doubt it, that there will be the KTP-3, KTP-4, KTP-5 and KTP-X." (Fidel Castro at the ceremony inaugurating the Holguin combine factory 27 July 1977).

After an enormous 6-year effort by enthusiastic personnel of the Machinery Construction Research Center (CICMA) of the Iron and Steel and Machine Industry Ministry, the first five Cuban combines for harvesting sugarcane, the Model KTP-2 [Straight Feed Single Row Combine Harvester, second generation], successfully passed their operational tests in the 1979 sugar harvest. It can be said that the new combine, the second generation of our KTP line, has concluded its development phase and is now in the phase prior to going into industrial production.

The long years of tenacious efforts by the Cuban Revolution in the development of a truly effective machine for harvesting green cane have been crowned with success with the modern and efficient KTP-2.

As is known, its immediate predecessor was the previous Model KTP-1, designed and built in collaboration with the Soviet Union for the harvesting of burned cane, and was produced at the Ukhtomskiy plant near Moscow in the Soviet Union, and as of 1977, in the 60th Anniversary of the October Revolution plant in Holguin. Already in 1978 our plant produced 160 KTP-1 combines and the five KTP-2's of the O Series.

This model of a self-propelled combine, as good as any in the world, is the result of continuing research work for developing a harvester capable of cutting green sugarcane of various agricultural yields and of various angles of upright position, fulfilling demanding parameters of quality. Naturally, any machines that cuts green cane efficiently will do so even more satisfactorily in burned cane. The machine has been designed and developed by engineers and technicians of the CICMA with the fraternal help of Soviet researchers.

Operational Tests

Now in the sugarcane fields of the Abraham Lincoln mill in Artemisa, it is exciting to watch the work of the KTP-2, clean, fast, with the bottom cut at ground level and a voracious intake of a large amount of green bulk. There is no doubt that in the steel-cane duel, men and machines will emerge victorious. And events such as this are taking place simultaneously in the sugarcane areas of the Urbano Noris mill in Holguin, where the other three machines manufactured in this model are operating.

As the morning progresses, the machine has been stripping row after row and depositing the sugarcane, noticeably free of leaves and tassels in the wagon that moves alongside. We take advantage of the usual break in the cutting so that the operator, Rafael Pages, and the driver of the tractor pulling the wagon, Pablo Chacon of the I.I.M.A. [Agricultural Machine Research Institute] of the Ministry of Agriculture can have lunch, to learn, while protecting ourselves from the hot noon-day sun in the skimpy shade of the cane, their impressions on the combine they are testing.

Pages, despite the fact that he has already done a half day's harvest work, is fresh and cheerful. He explains this in a few words: "Look, the cabin is closed, no dust or dirt enters. The fan cools things, there is almost no noise...and the machine is very maneuverable, one feels that it is docile. It handles upright or matted sugarcane of lesser or greater yield without problems." In turn, the tractor driver tells us of how little chaff goes into the wagon, the rapid rate of the cutting and the efficient elimination of the tassels.

Together with Engineer Lino Abreu of CICMA, we checked the cleanliness of the cane accumulated in the wagon, the low cut, the condition of the machine and the yield attained in the hours of harvesting accomplished. The results are favorable for the new combine.

It can be said with complete certainty that we already have a combine capable of harvesting green cane with a greater productivity than the KTP-1 has in burned cane; a modern machine which can compete with the best in the world. And this positive confirmation brings to mind the words of Fidel on 27 July 1977, who referring to the KTP-2 said:

"That means that in the future we can save ourselves from having to burn the cane to seek productivity. By cutting down on the burning of cane, we shall save water, we can leave the chaff on the ground or we can use it to feed livestock if we want. We reduce the growth of weeds and prolong the life of the plants."

Short History of a Combine

At the beginning of the decade of the 70's, the mechanization of the sugarcane harvest in Cuba achieves its real takeoff toward development with the KTP-1, although actually our efforts in that direction date back many years before to 1961-62, when on the initiative of Maj Ernesto Che Guevara from the Ministry of Industries, the first work was begun.

Specifically, the KTP-2 project began in 1973 on the basis of the new cleaning chamber, the main improvement over the KTP-1 model, although in it are contained the lessons learned from the previous models, basically the KTP-1 and the Libertadora. Its development is the responsibility of the CICMA, with the determined and tenacious participation in this work of a hard-working group of veterans from the days, which already seem a long time ago, of the primitive prototype of a cutter we saw Che operate, the Model MC-1. The bench test studies are done at the test station of Artemisa, a branch of the I.I.M.A. of the Ministry of Agriculture.

A particularly significant and exciting moment for the group of engineers and technicians, who devote their maximum effort to the combine, took place in 1974 when for the first time the "little top" (as its designers affectionately call the new concept of the cleaning chamber) was installed on a KTP-1 combine of Soviet construction, modified in the prototype shop of the CICMA.

A year later, and in the same CICMA shop, the first model is built, called provisionally the M-2. In 1976 we have the opportunity to witness its initial tests in the cane areas of the Pablo Noriega Experimental Unit of the ICINAZ [Cuban Sugar Research Institute] in Quivicán, tests which provide satisfactory results.

In the 1976-1977 sugar harvest, the first prototype, already known as the KTP-2, performs field test harvesting. In it are found basically the characteristics of the second generation of the KTP machines. This is precisely the prototype delivered to the commander in chief, Fidel Castro, at the inauguration of the 60th Anniversary of the October Revolution factory in July 1977.

The rest actually emerged from the operational tests we witnessed in this harvest. The Holguin factory is building the O Series, which consists of five machines, of which four are being subjected to operational tests in Holguin and Artemisa, and one to stress tests in Artemisa by technicians of the I.I.M.A.

It can be said that the KTP-2 has passed its trial by fire, since the four combines have worked for the harvest since November 1978. The design has followed the parameters established, although, naturally, the machines have not yet been produced on an industrial scale.

What is the KTP-2 Like?

We ask the question of Lino Abreu, while we observe the uniform cutting of the machine in the long row of the "typical field," and from his quick answer, we learn the most important things: "In short, the thing which characterizes the KTP-2 is its greater efficiency compared to the previous models in the harvesting of green cane and its greater reliability of operations. It is due mainly to its greater processing capacity (the intake of green bulk without clogging up)."

The KTP-2 is a self-propelled machine with a cane-topping device, which performs a complete technological process, that is, it cuts the cane at ground level, cuts it into pieces some 300 to 400 millimeters long, it separates the impurities from the cane pneumatically and delivers the relatively clean cane to the means of transportation traveling alongside.

It has a productivity per scheduled work shift, which is equal in green cane to the productivity of the KTP-1 in burned cane, some 10,000 or 12,000 arrobas. Naturally this rate includes the inevitable stops to change wagons or trucks, turning of the machine at the end of the row, lunch and snack of the operator, maintenance and so forth. If we calculate it in net time, it can reach 3,000 to 4,000 arrobas per hour.

At this time the machine is working in the operational tests with the same 150-HP motor as the KTP-1, but the possibility is being evaluated of providing it with a higher-power motor. With respect to weight, it weighs some 10 metric tons, similar to the weight of the KTP-1 and to the average world weight of machines of this type.

Let us Speak of Some of its Advantages

It is obvious that the new model is better than the KTP-1 and, as has been said, the main thing is that it can cut with equal efficiency in green cane as in burned cane. But it has other well-defined advantages and we believe it useful to blame them. For this purpose we have analyzed the machine in the area of the harvest itself with Engineer Lino Abreu of CICMA, Antonio Figueredo Ramirez, test chief of the same center, and Rigoberto Izquierdo, assistant director of the I.I.M.A. in charge of the Artemisa branch. The results are encouraging:

- The main technical advantage resides in the main cleaning chamber. In the KTP-1 the impeller system is used, the KTP-2 uses suction or extraction. The latter achieves a more efficient cleaning, with fewer losses of cane, greater capability for processing the green bulk cut and a smaller consumption of power.
- Unlike the previous model, the KTP-2 has a second cleaning chamber, also using suction, located at the end of the cane discharge conveyor belt, which guarantees a higher rate of elimination of foreign matter.
- The pinions of the cutter work protected by an oil bath. Moreover, this cutter has a new design of unequal drums which allow a better cutting of the green bulk.
- Its cabin is completely airtight, with a glass windshield and side windows and forced air ventilation, all of which optimizes conditions surrounding the operator.
- The conveyors are of a new design of chains with rollers, which raises the coefficient of reliability of operation of the machine, in other words, mechanical breakdowns decline.
- Movement of the machine is accomplished hydrostatically--with a hydraulic pump and motor--which allows greater maneuverability and general efficiency in driving the equipment. In the previous Model KTP-1, movement is mechanical, through a variable speed device.
- The KTP-2 Combine is equipped with a modern and efficient cane topper, which obviously improves cleaning in harvesting green cane.

A Look to the Future

The new combine is destined to replace the present production model of the KTP-1 in coming years. There are already more than 1,000 KTP-1's operating in our canefields, and the fundamental burden of the great advancements achieved in the mechanization of our sugar harvest are borne by it. Mechanization in this harvest has already reached nearly 50 percent.

The KTP-2 will also be manufactured, after the necessary industrial changes required by the process of the new model, in the 60th Anniversary of the October Revolution factory in Holguin, a truly large and modern plant provided to our country by the Soviet Union. Its assembly line production should be stabilized during the 1981-1985 5-year period.

Naturally, the development of the KTP line of Cuban combines for the cane harvest does not end with this new model. It will continue on an upward spiral in the future. Since 1978, CICMA has been working on the third generation of the machine, the Model KTP-3. At this time it is being built on fixed installations for separate tests of its various working components.

For 1981-82, the testing of this equipment is planned on mobile installations in the field. The results obtained will serve as the basis for the construction of the first experimental prototype, which is expected will be delivered in the second half of the next 5-year period.

It is obvious that it is still too early to report on what the Model KTP-3 will be like. However, there is no doubt that it will attain parameters substantially better than the two previous models, with significant innovations in the majority of its working components.

The development of mechanization in the various phases of Cuban sugarcane agriculture, primarily in the harvest, is today a priority task in Cuba, and nationally, a huge effort is being made to achieve the maximum of mechanization at every opportunity.

If we were to be asked about the basic objectives of the mechanization of the sugar harvest, we could say there are two of them: one social and another economic, both aimed at the designs of our people at this moment of assuming a new and higher dimension of man: the humanization of the hard work of cutting sugarcane by hand and increasing work productivity. Remember that each machine can free some 50 men from the exhausting work of cutting cane, work which before 1970 required some 350,000 manual canecutters in each harvest and today, with increasing production of sugar, approximately one-third that number is sufficient, which allows us to send that large labor force to other branches of production and other services.

Undoubtedly our new combines provide a valuable contribution to the primary objective of the construction of the new socialist society in Cuba, whose first law is, as Marti wanted: "The full dignity of man," by improving socioeconomic conditions in a key aspect of that which still is--and will be for a long time--our fundamental export production.

The permanent optimization of our combines for the sugarcane harvest will increase labor productivity in our harvests even more. And Lenin, in "A Great Initiative," says with genius-like accuracy that "the most important factor, the determining factor for the victory of our social system is, in the final analysis, productivity (...) capitalism can be and shall be definitively defeated because socialism reaches a new degree of labor productivity which is much, much higher."

PHOTO CAPTIONS

1. p 6. One view of the modern 60th Anniversary of the October Revolution combine plant in Holguin, where the Model KTP-1 is now being produced, and where the future KTP-2 will be produced.
2. p 6. Maj Ernesto Che Guevara was the initiator and greatest promoter of the development of combines for sugarcane harvesting in our country. In the photograph he is seen as he was operating the first prototype of the Cuban cutter of that time, the Model MC-1, in February 1963.
3. p 7. The KTP-2 busily engaged in its operational tests in green sugarcane in areas of the Abraham Lincoln mill, Artemisa, La Habana Province.
4. p 8. Engineer Lino Abreu of the CICMA is surprised by Silva's camera as he makes a check of one of the KTP-2's subjected to tests in the I.I.M.A. branch of Artemisa.
5. p 7. One of the five KTP-2's of the O Series, now being subjected to stress tests by the I.I.M.A. of the Ministry of Agriculture in Artemisa.
6. p 9. Assembly line in the Holguin combine factory at the time when it had just delivered the first KTP-1 in July 1977.

8908
CSO: 3010

CUBA

BRIEFS

ISLE OF YOUTH PARTY MEETING--The fulfillment of resolutions of the First Party Congress and matters concerned with the socioeconomic development of Isle of Youth have been examined at the 20th Plenum of the municipal party committee in that territory. Work on citrus agriculture and participation of the people, particularly the students, in harvesting work and taking care of crops, and preparations for the next sugar harvest were discussed.
[FL060024 Havana Domestic Service in Spanish 0000 GMT 6 Feb 80 FL]

CUSTOMS ANNIVERSARY--The main commemoration of the 22d founding anniversary of the socialist customs service of Cuba was held today chaired by Col Pedro Rodriguez Peralta, member of the party central committee and chief of the general directorate of border guards. Joaquin Mirabal Diaz, director general of customs, made the closing remarks. He stressed the principal achievements of the customs service during its 17 years of work under socialist principles. Cuban customs, he said, is one of the oldest institutions on the American continent and has gained great prestige thanks to the efforts of its officers and workers. [FL060024 Havana Domestic Service in Spanish 0000 GMT 6 Feb 80 FL]

CSO: 3010

DOMINICAN REPUBLIC

FOREIGN ASSISTANCE TO MAKE 1980 GOOD YEAR ECONOMICALLY

Santo Domingo EL CARIBE in Spanish 7 Jan 80 p 8

[Text] The economist, Bernardo Vega, said yesterday that this country will receive a "large amount" of foreign aid this year, which, added to the good prices for export products, will establish a record for foreign exchange receipts of the Dominican economy.

Vega, who is a member of the Monetary Board, warned that there will not be only positive factors from abroad for the Dominican Republic during this year but that there will be very negative factors, such as the increase in the prices of petroleum.

The economist stated that 1980 appears to be looming as a "good year economically" for the country with a rate of growth between seven and nine percent. He said that "it is very probable" that during this year the level of receipts of foreign exchange by the Dominican Republic during 1980 will surpass 1975, when the prices of sugar alone, which reaches unprecedented levels, brought in over \$500 million.

Vega spoke on the Aeromundo program, produced by journalist Guillermo Gomez.

He said that according to agricultural prospects for March and April, supplies of foodstuffs will be at normal levels and even show considerable increases.

Vega defended the Dominican Government's debt policy and said it was favorable to the extent that these loans come from international organizations, such as the Inter-American Development Bank and the World Bank.

He said it "would be very difficult" for the government of President Antonio Guzman to completely absorb the increases that the prices of oil will undergo during 1980.

He said that a part of these increases "will unfortunately have to be absorbed by some sectors of the population." He added that efforts should be made to prevent the poorest sectors from being the ones affected by this situation.

He said part of the inflation the country is suffering from comes from abroad, and it is very difficult to combat it.

Vega called also for the country to modify its traditional policy of keeping its reserves exclusively in American dollars.

He stated that, following the example of other countries, the Dominican Republic should diversify the composition of its monetary reserve in the light of the international monetary problem, and have a greater percentage of the domestic monetary reserves in European currencies, such as the Swiss mark [sic] and the German mark.

He stated that the country has not increased its reserves of gold since 1962. He said that these gold reserves, which were worth \$3 million in 1962, are presently worth \$32 million because of the increase in the price of the metal in recent years.

9015

CSO: 3010

DOMINICAN REPUBLIC

ECONOMIC ADVISER INTERVIEWED ON RECENT TAX IMPOSITION

Santo Domingo LISTIN DIARIO in Spanish 7 Jan 80 pp 1, 20

[Interview with Ramon Martinez Aponte, presidential economic adviser:
"Excessive Tax Levy Denied"]

[Text] The economic adviser to the President denied that the level of taxes in this country is excessive and claimed rather that it is low and rigid, that is, it is not growing at the same pace as the national economy.

Ramon Martinez Aponte declared that this limits the ability of the government to encourage investments that would help the economy through budget expenditures, which is a deficiency in the country's tax system.

He said that taxes, which were at the rate of 17 percent 6 or 7 years ago, roughly speaking, have dropped to 11 percent, and thus the tax rate has fallen. Among the Latin American countries the Dominican Republic is the one with the lowest voluntary taxes.

However, he conceded that customs charges are one of the highest in the world but he pointed out that taking into account their relation to the gross national product, the total revenues collected are among the lowest anywhere.

Martinez, who was interviewed on the television program "Foreground" (Saturdays at 1500 hours on Radiotelevision Dominicana), also denied that the taxes announced by President Antonio Guzman in his speech last Thursday were inflationary.

He stated that the tax on license plates and the one on urban real property are direct taxes which the taxpayer pays from his income, which by definition cannot be inflationary because they are imposed on income already received. It may be they have the opposite effect because they reduce the spending capacity of the consumer, he stated.

He said that the Dominican Republic and Venezuela are the only Latin American countries that do not have a property tax.

Regarding the value added tax, he conceded that it could be inflationary because it is an indirect tax, but he indicated that this would depend on the rate.

Martinez believes that all the necessary precautions have been taken to minimize this effect, except for the most essential products, so that it will not be unduly inflationary and to preserve one of the objectives of government policies, the redistribution of income, and to avoid affecting the low income classes.

He recognized, as stated in the editorial in LISTIN DIARIO, that this is a subtle tax, but he felt it is fair because what is being assessed is the value being added at each stage of production and not indiscriminately the total price of the product. Each industrial, agricultural, or commercial establishment is assessed on the basis of the value it contributes to the product, he added.

Regarding the establishment of administrative bodies capable of applying such a sophisticated tax, the economist believed that the country is ready for it. And he referred inquiries to the Secretariat of Finance, which is the department most qualified to pronounce on this subject since it drew up the tax provision with international assistance from a group of experts he considered highly qualified.

He added that this is part of the fiscal reform of which so much has been said and on which the experts in Finance have been working for over a year. He said it seems to him that it has been drawn up in a responsible manner, taking all the factors into account, not only the influence on the economy but also the ability to administer the tax efficiently.

He expressed confidence that that department is ready to administer the new tax efficiently through its tax bureau.

He stated that the office of assessments has been strengthened since it will play an important part in assessing property values in applying the tax, and it has been given a higher budget to improve its capability.

The economic adviser to the presidency did not rule out the possibility that problems will emerge because with every innovation problems appear, but he believes that they will be overcome and that they are ready for them, most of all for the purpose of acquiring experience.

Martinez explained that the property tax will be applied to the property, not on companies or on persons; it will be applied both to buildings and to land. But it will not affect the sale of real estate, he added.

Regarding another part of the presidential address, the official viewed the announcement of the purchase of 500 minibuses and the savings in fuel this implies as positive.

Repiying to a query as to whether the programs for saving fuel have been successful, Martinez recalled that the President in his speech convoked an emergency meeting of the National Commission on Energy Policy to act on this matter.

He said that the regulation of public transport was set back as a result of the hurricane but now progress will be made in mass transit.

The official said he felt satisfaction with the position he occupied and that he was consulted by the President in the process of forming decisions in a planned and organized manner, as it should be and as in fact it was.

In a brief review the past year, the economist stated that one great triumph of 1979 was the fast finish of the economic growth index despite such negative events as storms, increases in petroleum prices, the decline in the prices of our exports, and others.

Martinez said that it is felt that economic growth will be close to four percent when all the statistics for the year are in and that the preliminary indications for the balance of payments are that this year's deficit will be lower than that of the previous year. He also quoted figures from LAFTA showing that inflation was at 10.8 percent, which places us in third place in Latin America in terms of the cost of living.

He indicated that the situation where there is economic growth with a certain amount of inflation exists in many countries, and this is the Dominican case at present.

The official attributed great importance to the results of the extraordinary expenditures, which was a highly important factor in the recovery of the economy after the hurricane, above all. And he cited the plan to invest \$144 million in repairing canals, highways, and crop replanting, etc.

He said that the prospects for 1980 look good although there are some latent problems of concern.

Martinez did not feel that the country had a dangerous amount of public debt. He said that real debt, that is net obligation, has not been above \$250 million since the much-discussed loan of \$185 million only increased the real debt by half and a large part of it was used to pay off other commitments.

He admitted that loans were contracted in a large total amount, which to him is a good sign that relations with international organizations that had been stymied have been revived, but he explained that people are confused at present between what has been received previously and what has been contracted for.

He explained that the majority of the credits agreed on were disbursed over a period of six or seven years on the average, which shows that the money committed or taken is not for one single year.

He referred to the words of President Guzman to the effect that the most important part of an international credit, apart from the conditions, is that it be meant for projects that help augment the economy.

Martinez said that the situation for 1980 is beginning in mixed fashion, with some areas showing positive signs and others negative signs, starting with the oil price increase, which it is feared will not be the only one during the coming year.

However, he pointed out that the President, in a very courageous decision, decided to absorb the oil price increase.

Among the favorable prospects, he mentioned the improvement in the prices of sugar, whose spot quotations are over 14 cents with futures at 17 cents; an average of 12 cents a pound was being counted on previously for 1980. In addition he cited the ratification of the International Accord by the U.S.

Also, he mentioned the promulgation of the legislation on incentives for nontraditional exports, which should show better performances, and the prices of coffee, cocoa, and some mineral products.

9015

CSO: 3010

DOMINICAN REPUBLIC

JOINT COMMISSION FOR EXPANDED TRADE WITH PORTUGAL PROPOSED

San Domingo EL NACIONAL in Spanish 4 Jan 80 p 13

[Text] The international secretary of the Portuguese Socialist Party today voiced approval of the creation of a mixed Dominican-Portuguese commission which would open talks on a broad range of trade between the two nations.

Ruiz Mateus, a member of the Portuguese parliament, stated that among the products his country could acquire in the Dominican Republic was sugar. At present Portugal buys sugar from Cuba.

Mateus said that although his party is not in power, it could open the way for the creation of a mixed commission with the authorities of Portugal.

In that sense Mr Mateus pointed out that he talked briefly with President Antonio Guzman, as well as with leaders of the Dominican Revolutionary Party (PRD).

Mateus made these statements during a press conference at which he was presented to reporters by Jose Francisco Pena Gomez, PRD secretary general.

The Portuguese political leader praised the climate of political freedom in the Dominican Republic.

And he added that the Dominican Republic today is a very important center of the Socialist International.

He pointed out that as a consequence of the work of Pena Gomez, president of the Latin American Committee of the Socialist International, the organization of socialist parties will define its positions "toward this great continent."

Mr Mateus, who returns home today, said that he leaves the Dominican Republic "with the conviction that democracy here is consolidated and that it is a process that will not retreat."

"I think that from what I have been able to see, the Dominican Republic continues to be a model democracy and possesses all the mechanisms that will permit its development," he declared.

During the meeting with the reporters the Socialist leader condemned the intervention of the Soviet Union in Afghanistan.

In the opinion of Mateus the Soviet intervention "is a serious situation which can lead to a new Cold War," and he added that it creates new precedents for interventionism by the great powers.

Pena Gomez expressed his gratitude for the visit of Mateus to this country and he described him, along with the ex-Prime Minister, Mario Soares, "as two great friends of the Dominican people."

Pena Gomez recalled the visit of Soares and Mateus to this country in 1978 prior to the general elections, which were won by the Dominican Revolutionary Party (PRD).

Pena Gomez said the PRD can never thank the Portuguese leaders for the support they offered during the Dominican campaign which brought that political party to power.

During his stay in this country, Mr Mateus met with President Antonio Guzman, who hosted a lunch for him; with Vice President Jacobo Majluta; with the head of the PRD senatorial group, Salvador Jorge Blanco; Hatuey Decamps, president of the Chamber of Deputies; and other high-ranking PRD leaders.

9015

CSO: 3010

DOMINICAN REPUBLIC

COFFEE EXPORTS REACH \$94 MILLION DESPITE DROP IN PRICES

Santo Domingo LISTIN DIARIO in Spanish 5 Jan 80 p 5

[Excerpt] Carlos Diaz, Tamboril--The secretary of agriculture has declared that as of last Thursday \$92 million worth of coffee has been exported.

The agronomist, Hipolito Mejia, stated that coffee prices are falling and there has therefore been a retraction in exports.

The official described the coffee harvest in this country as very good, adding that it has been almost completed.

Mejia declined to predict the coffee harvest with regard to export levels or the total volume in quintals that would be harvested.

Mejia underscored the government's concern in rehabilitating thousands of coffee plots in the coffee-producing areas, a move that proved to be highly beneficial.

He maintained that agricultural prospects at present are marvelous and that very soon there will be an abundance of various products that form part of the diet of Dominicans.

He praised the work mystique of the men of the farms, who together with the agricultural experts have restored the fields following the losses caused by Hurricane David and Tropical Storm Frederick.

He also mentioned the climatic conditions, which have been highly favorable to the crops that were programed among the immediate plans of the Agriculture Secretariat.

"There is a desire on the part of the farmworker and also on the part of the officials of the Agriculture Secretariat to get on with the work," the head of Agriculture remarked.

Speaking at the inauguration of the Integrated Agricultural Services Center of Carlos Diaz, Mejia said that "the farmworkers have a great challenge with

the announcement made by President Antonio Guzman that this year will be the Year of the Farmer."

"Putting into action the announcement of the President, we will soon make known the broad plans which the Agriculture Secretariat will undertake in the 'Year of the Farmer', Agronomist Mejia added.

He stated that the inauguration of CENISRI is also a challenge for the farm associations of Tamboil Township and he therefore exhorted the farmers to work honestly, enthusiastically, and zealously.

9015

CSO: 3010

EL SALVADOR

PCF PAPER INTERVIEWS EL SALVADOR ACADEMIC ON UNREST, VIEWS U.S. AIMS

LD311251 Paris L'HUMANITE in French 25 Jan 80 p 8 LD

[Report by Jose Fort: "University Rector Bears Witness"]

[Text] Nearly 100 dead, hundreds wounded. This is the provisional estimate after Tuesday's shooting in San Salvador, as we learned yesterday by phone from the rector of the capital's university, in an interview which he freely gave to L'HUMANITE. Elsewhere, according to Mexican reports, 5,000 Guatemalan soldiers are gathered in the Ahuachpan region on the El Salvador border, and U.S. military advisers have set up headquarters in the Salvadorian presidential palace. William Bowdler, U.S. State Department expert on the region, arrived in San Salvador yesterday.

It took from Wednesday until yesterday afternoon to contact San Salvador university by phone. The rector was preparing to leave his university to take part in the silent demonstration for several of Tuesday's victims who were being buried. When we asked him if he would be prepared to make a statement to L'HUMANITE, he exclaimed: "Yes, write it, let people know what has happened and what is in store for our people. Do it quickly!...." He continued: "Last Tuesday's demonstration is a symbol, the most important demonstration in our history, uniting workers, peasants, students and teachers. It was a peaceful, orderly demonstration. We wanted to express our thirst for freedom and our hatred of Yankee imperialism--not of the American people--which controls our country's entire political and economic life.

"Why did they fire? The military and 'the Yankees' fear this vast popular move for freedom and independence.... After the shooting, thousands of demonstrators took refuge in my university. The army surrounded the buildings.... The authorities forbade me entry. So I watched this terrible spectacle from some distance. When several hundred people had gathered on the campus, planes flew over the university and strafed them. I saw the corpses some hours later.... I have received death threats. 'They' want to frighten us. We shall hold on.... I appeal particularly to French teachers and students: Help us!" It became almost impossible to hear; the rector said: "There are many students around me, they want to speak to you...." We were cut off. A technical problem?

What Is Washington Planning?

There are 5,000 Guatemalan soldiers massed on the El Salvador border. There are "U.S. military advisers" in the presidential palace. Two of the five members of the El Salvador military junta have been "undergoing medical treatment" in the United States since Wednesday. A U.S. State Department official arrived in San Salvador yesterday.

Is Mr Carter's government, already directly implicated in the recent events, preparing to use Guatemala to intervene in El Salvador?

CSO: 3010

EL SALVADOR

IMPERIALISM SUPPORTS GOVERNMENT JUNTA

PA301515 El Salvador EL INDEPENDIENTE in Spanish 26 Jan 80 p 16 PA

[Text] The unexpected visit of a White House representative to El Salvador to better understand the problems the nation is facing, according to an official statement, hints of imperialism's desperate attempt to gain political time and consolidate the government junta in power.

William Bowdler, 55, has emerged as the State Department's most efficient negotiator in Latin America. He acquired great fame with his interventions in Nicaraguan affairs and the departure of Somoza.

At present he occupies the post of assistant secretary for Latin American affairs and in August 1979 had already visited El Salvador to advise Carlos Romero on the best solution to the crisis facing the nation at the time.

Bowdler was U.S. ambassador in El Salvador from 1968 to 1971. He was also in South Africa between 1975 and 1978 at the head of imperialist interests in that part of the world.

Bowdler's knowledge of Latin American problems developed during his stay in Havana as political affairs officer from 1956 to 1961. He left the post after the victory of the Cuban revolution.

The U.S. envoy said after talks with the government junta and Christian Democrat leaders that in El Salvador he had been welcomed as a friend.

He said he was impressed by the new government's intent to proceed rapidly to implement the reforms it promised and that the White House is willing to give it support.

It is a fact that Bowdler expressed to the military and Christian Democratic leadership his respect for human rights and socioeconomic reforms when he said that his statements supported the repressive actions of the military and politicians now in the government. [as heard]

Far from seeking a peaceful solution to national problems, the present regime is increasing its genocidal repression, now with direct U.S. support.

Bowdler arrived incognito and left in the same manner. Newsmen saw him only as he entered the presidential palace, but he refused to make a statement to the press. At the time of the visit by the imperialist representative, the Agency for International Development [AID] announced that the United States is willing to implement an extensive economic development program to support the government junta reforms. It said that because this is a democratic effort, economic aid will considerably increase. AID said assistance will consist of loans to create employment, for public works and credit to cooperatives, housing, water supply, health and nutrition. On the other hand the Central American Bank of Economic Integration has granted the Salvadoran Government a 10-year line of credit of 25 million colones to build roads in the capital and rural districts, expansion of power services and development programs.

This shows the marked interest of the State Department and its cronies in supplying the Salvadoran Government with the means to implement lukewarm socioeconomic reforms to confuse the Salvadorans and dilute the revolutionary mass movements.

Imperialism has offered the government economic support for its pseudo-reforms in exchange for exterminating the people's organizations, a labor union leader said yesterday. He said the entry of the Christian Democratic Party [PDC] into the government, together with the military, is an imperialist maneuver and recalled that for years the PDC has been feted and flattered by the U.S. Embassy.

Nevertheless the majority of Salvadorans do not believe in the reformist promises of the government, which has now revealed its genocidal nature. The Christian Democrats have shown that they are not only opportunists and imperialist allies but also as rightists who promote reforms and repression to remain in power with the military.

Now with the blessing of the White House, the government will continue deceiving the people with its lukewarm changes while striving to divide the revolutionary mass movements.

This desperate effort by the State Department is unmistakable proof of the real intentions of the Salvadoran revolutionary process. It also shows that the people's movement has the total support of the majority of the people, who are taking positive steps toward their final liberation.

CSO: 3010

EL SALVADOR

VIOLENCE CONTINUES WITH NEW STRIKES EXPECTED

PA032339 Paris AFP in Spanish 2156 GMT 3 Feb 80 PA

[Excerpt] San Salvador, 3 Feb (AFP)--A teachers' strike and a halt in public transportation are announced for tomorrow in El Salvador, in what could well be another week of intensive political activity and new acts of violence.

Also expected for tomorrow is the promulgation of a constitutional statute which is supposed to serve as the Magna Carta of the present government junta, which is the result of the military coup that ousted Gen Carlos Humberto Romero on 15 January.

Last night terrorists believed to be of the extreme right killed 2 people and wounded another 26 when they machinegunned the Rosario church, located only 300 meters from the main police station. The church has been occupied for the past 15 days by members of the Union of Slum Area Dwellers (UPT).

The shooting was done from a moving automobile, as in other attacks that took place here in the past few days. Another three people who were killed in acts of violence on Saturday in various parts of the country brought the number of victims to five.

In Santa Tecla, 13 km west of here, a member of the National Association of Salvadoran Educators (Andes), which is affiliated with the People's Revolutionary Bloc (BPR), was gunned down at the entrance to the state educational television studios.

In San Miguel, a civilian was killed in a confrontation between security forces and opponents after a shootout which caused panic among the inhabitants.

Finally, a baker, without any political affiliation according to his relatives, was machinegunned in his vehicle by unidentified persons in an apparent case of mistaken identity.

In the political area, the evening paper EL MUNDO on Saturday published a draft constitutional statute that will reportedly be promulgated by the government junta to replace the country's present constitution.

This would represent an attempt to implement certain reforms included in the government program which are contrary to existing constitutional provisions.

EL SALVADOR

MILITANTS ANALYZE POLITICAL SITUATION

PA040253 Panama City LA REPUBLICA in Spanish 3 Feb 80 pp 1-A, 6-A PA

[Analysis of the current political situation in El Salvador submitted to LA REPUBLICA on an undisclosed date by a group of Salvadoran activists not further identified]

[Excerpts] There are three alternatives for a solution to the serious political-military conflict in the Republic of El Salvador.

Here is a brief analysis of the current situation. [Passage omitted on previously filed background material]

The massive demonstrations of popular unity and the rejection of the new alliance of the Christian Democratic Party [PDC] with the military and other isolated incidents, which are no less bloody and meaningful, shows that in El Salvador there exists a courageous defiance against repression by the present regime. The two forces in conflict, the right, with a considerable number of the 600 officers in active service in "troop command" positions, and on the other side, the rebel left with over 200 commandantes and perhaps some 8,000 well-armed militia, have begun to clash in a series of fights in the cities, towns, valleys and mountains of the small Salvadoran territory. This has cost a countless number of useful lives of militants or innocent bystanders.

During my [as published] recent tour through Nicaraguan territory, especially in areas close to the Fonseca Gulf I saw Sandinist soldiers, veterans of the first triumphant popular revolution in Latin America, who are only awaiting "the order to go to neighboring territories in support of their revolutionary compañeros of El Salvador, Guatemala and Honduras. They know that there are in Honduras at least 3,000 Somozist guards who would rather die fighting to return to their country than beg for food and work and live only with hopes. They know that General Lucas Garcia of Guatemala will go to any extreme before allowing the liberation struggle to gain power as it did when it ousted Somoza and Romero, both within an 80-day period. As long as there are authoritarian governments in El Salvador, Guatemala and Honduras, there is a danger that Somozism will return because these regimes

have always had the economic, military and political support of Yankee imperialism.

These briefly outlined facts define the future of a country that loves peace, work and justice but which is now bogged down in a pool of its own patriotic blood. Its agroindustrial and manufacturing economy is on the verge of collapse with its growing number of unemployed laborers and peasants and with the executive directors of concerns out of the country ready to promote investments in Guatemala, Belize, Costa Rica, Panama, Bolivia and others. In the black market, by the end of 1979, the dollar was selling at \$1.25 [as published].

With the shadow of hunger, terror and frustration around every corner and rural path, many do not see the possibility of a truce or understanding being reached between the rich, trying to save their privileges, and the young army officers, trying to survive against the anger of the people who have been exploited, humiliated and deceived for so many years.

However, our deep nationalist conviction has made us think and suggest, but believe without much enthusiasm, in three possibilities which could lead to an immediate solution in the short or long run. We also want to explain that every day that passes without seeking this type of solution expands the gap between the conflicting forces and then it will no longer be possible to save the country from the dire consequences of an open civil war in all the four corners of our territory.

First: This is the most disastrous; a long war in a country without mountains. The armed struggle would develop in miserable peasant villages, slums or near strategic government installations. This would result in countless deaths, wounded, prisoners and outlaws and would leave a trail of blood, suffering, underdevelopment, despair and anarchy. The alternative to this would be to eradicate a political, social and economic way of life which is completely unjust and obsolete. This way of life tries to survive desperately, above the sacred rights of a noble and hard-working people, backed by a dictatorial regime supported by the bayonets of a uniformed army financed by dollars stained with disloyalty to the country. Under the present circumstances, in which six military governments in Latin America were replaced in 1979 by civilians, in an unrefutable democratic trend, it is not logical to continue shedding innocent blood if ways can be found to replace the domination which has done so much harm to my country, El Salvador.

Second: This is the most difficult one. It would emerge from a current of reflection among the coordinating leaders of the revolutionary alliance and the new progressive young military officers, especially those less imbued by the radical concepts of the "give no quarter" struggle, to seek the sources of a deeply realistic and patriotic understanding without the always slanted interference of the Slavadoran private capital or the homosexual advisers of the U.S. presidents, (Kennedy, Johnson, Ford, Nixon and Carter).

A provisional pact will allow the military group in power to go back to their barracks to serve as a moderating arm of the "process of change" which has begun in the country. This is where the army should have remained since its appearance on the Salvadoran political scene.

This decree will at a stroke discard the hypocrites of the interventionist policy of the blond protectors of our Indo-American peoples. This decree would be guaranteed by the revolutionary representatives of the coordinating committee and the military group chiefs and leave aside the traditional economic clans of ANEP, ASI, CCI, [not further identified] the cotton co-operative, the coffee association, the fishing trust, Atarraya del Camaron and others.

Third: This is the most urgent and perhaps the most feasible possibility. There would be mediation by the Sandinist popular government at the suggestion of Gen Omar Torrijos who is a political leader of continental stature and a loyal friend of Salvadorans. This would allow a "cease-fire" to be promptly agreed to and a negotiating committee or commission of the revolutionary process to be organized with the participation of leaders Juan Chacon of the Peoples Revolutionary Bloc [BPR], Julio Flores of the United Popular Action Front [FAPU], Mario Aguinada of the Nationalist Democratic Union [UDN], Leoncio Pichinte of the 28 February Peoples League [LP-28], four officers appointed by the "permanent armed forces council," a diplomatic official from Nicaragua, Costa Rica, Mexico or Panama and a woman of relevant intellectual and civic merit proposed by the opposition groups.

The most urgent tasks of this representative body would be logical: Avoid bloodshed, channel the democratization trend along practical paths, punish "war criminals" and eliminate the PDC as a solution formula. The PDC's overbearing intervention in this conflict has been detrimental and inefficient.

CSO: 3010

EL SALVADOR

JOURNALIST BLAMES OLIGARCHY FOR FPL EXISTENCE

PA031843 San Salvador EL INDEPENDIENTE in Spanish 1 Feb 80 pp 1, 16 PA

[Excerpts] In the present, no one is surprised by the kidnaping of a diplomat, or of even an ambassador, because these things have occurred so often that they have become simply--painful as it may be to say it--headlines for front page news items.

The case of South African Ambassador Archibald Gardner Dunn who was kidnaped by the Farabundo Mart Popular Liberation Forces (FPL) has become very delicate, primarily because of the diplomat's fate, since neither the South African nor the Salvadoran governments have cared to or been able to meet the FPL's ransom demands.

The most serious aspect of Dunn's position, however, is the fact that his government does not understand what is happening and would seem to believe that the FPL is playing or joking. In other words, the arrogance and scorn with which the white minority Government of South Africa looks upon the Central American peoples is the main threat to Dunn's life.

If the South African Government had complied with the demands--and it could do so easily--and had it decided to embark upon high-level diplomacy with the Salvadoran Government, the two parties would have met the FPL demands and Dunn would be free by this time.

These are the reflections of a journalist who is taking no sides. We do emphasize, however, that if the social, economic, social and political conditions of El Salvador were not at their lowest level, if in El Salvador the dog of a rich man were not more valuable than a peasant or a worker, there would not exist these organizations which seek power by arms. They exist because the oligarchy does not want to relinquish power and has not and does not desire to guarantee free elections to allow the people or the majority to win elections and dictate government policies.

In other words, the FPL is operating because the oligarchy has forced the people to organize and form their own army, since the Salvadoran air force [as published] is simply the armed arm of the multimillionaire oligarchy.

EL SALVADOR

CHURCH BLAMES GOVERNMENT FOR EMBASSY INCIDENT

PA032249 Panama City ACAN in Spanish 1748 GMT 3 Feb 80 PA

[Article by Mauro Expinoza Fernandez]

[Excerpts] San Salvador, 3 Feb (ACAN-EFE)--In its weekly message, the Salvadoran archbishopric today "condemned and repudiated" the tragedy on Thursday at the Spanish Embassy in Guatemala and said the Guatemalan police was "directly responsible" for the tragic toll of 39 dead in the incident.

The message was delivered in a sermon by priest Fabian Amaya, due to the absence of Archbishop Oscar Arnulfo Romero y Galdamez, who is presently in Europe to receive an honorary doctorate degree from the Catholic University of Louvain, Belgium.

In other news, a fire was reported at a coffee shed near Ahuachapan, 115 km southeast of the Salvadoran capital.

The owners attributed the fire to members of the 28 February Peoples Leagues [LP-28], who before the fire had been demanding payment of a "war tax." The losses were calculated initially at over \$200,000.

Returning to the Amaya sermon, the priest's message also blamed the government for incidents that occurred last week at the San Francisco church in San Miguel, 138 km east of the Salvadoran capital.

According to the authorities, leftists who have been occupying the church for several days fired at a military patrol and in the ensuing heavy exchange of fire four activists were killed.

During the incidents, two as-yet-unidentified Nicaraguan citizens who were allegedly collaborating with the occupiers of the church, were reportedly arrested.

The message also asked members of the clandestine People's Revolutionary Army [ERP] to continue negotiations with the relatives of Adolfo Mc Entee, and industrialist from Santa Ana who was kidnaped by the ERP on 3 December.

The kidnapers have set a deadline of 1900 (0100 GMT) tonight for the Mc Entee family to meet their demands. Otherwise, they have threatened to kill their prisoner.

Amaya also asked the LP-28 to expedite negotiations for the release of the hostages being held by the group at the headquarters of the Christian Democratic Party and at the Spanish Agroman Comapny.

The LP-28 has been holding two Spanish technicians hostage since Wednesday, when the insurgent group promoted a strike at the Agroman Company. The company is in charge of building a modern highway from San Salvador to the modern airport which was inaugurated a few days ago.

This is the 6th day of captivity for the PDC hostages. The 12 party members being held by the LP-28 include Marina Morales, daughter of Antonio Morales Ehrlich, a member of the Salvadoran revolutionary government junta, and Julieta Otero de Colindres, wife of the present minister of education.

CSO: 3010

EL SALVADOR

FAN LEADER REFUTES CHRISTIAN DEMOCRATS' CHARGES

PA040158 San Salvador EL DIARIO DE HOY 2 Feb 80 pp 5, 48 PA

[Text] Although the White Warriors Union (UGB) exists only in the minds of those who claim to be its opponents or victims, I publicly declare that I am neither a founder nor a leader of this organization. Major D'Aubuisson Arrieta made this statement to EL DIARIO DE HOY.

He says that although there have been some pamphlets bearing the acronym UGB, he does not know where they came from.

As is well known, Major D'Aubuisson recently made statements about the plans by international communism to take control of El Salvador and all of Central America.

After making those statements, in which he also discussed relations between opposition parties, popular groups, and extreme left groups, he was accused by some sectors, especially the Salvadoran Workers National Union Federation, (Fenastras), of being linked with Gen Jose Alberto Medrano, founder and leader of this organization which has been labeled as being extreme rightist.

Major D'Aubuisson told his accusers, "When circumstances force me to face the 'left and extreme left' I will do so not using the terrorist system, but personally, wearing my uniform, and face to face, without any mask or acting secretly."

Major D'Aubuisson was interviewed yesterday by EL DIARIO DE HOY at the news conference convoked by the National Broad Front (FAN). Major D'Aubuisson, who is a member of the FAN Executive Council, was there to refute statements by the Christian Democrats that FAN was responsible for the crimes committed on 22 January.

EL DIARIO DE HOY asked Major D'Aubuisson about his promise in a television interview to give details as to places, names, dates, and other information regarding the infiltration of international communism into the country. The reporter asked him when would he provide the information.

He said that not only was he ready, but that he had already made video tapes in which he makes new statements which will probably be released next week, although he did not say when, because this decision must be adopted by the public relations committee.

He said in those tapes he makes basic accusations against groups, persons, and reveals activities by leftist groups. He explained that in some of the accusations he is also acting as a member of the Nationalist Democratic Front, while in others he is acting as a member of the National Broad Front.

He says he is also especially aware of activities conducted by Salvadoran leftist groups, and about the origin of Fenastras, from his 9 years of service with our country's national guard, and with other intelligence agencies.

Major D'Aubuisson added that all revolutions have Marxist origins and that he thanks the Christian Democrats for using the term counterrevolutionary because he defined himself to be against communism and Marxism.

He also says that the Christian Democrats are being radical when they accuse the right and not the left, because it is the left which is acting against law and order. By accusing the "right" they tacitly accepted and recognize the communist leftist organizations.

Major D'Aubuisson says the new junta will soon fall like the first one. He justifies this statement by saying the Christian Democrats are rejected by the leftist and other popular groups [words indistinct].

He challenges the Christian Democrats to reveal not only who is supporting them, but also what is their popular base.

Replying to questions by EL DIARIO DE HOY, Major D'Aubuisson says he will also present video tapes of statements made by two former Sandinist commanders whom he knows as Marcos and Robelo. He says Commander Marcos was deceived by the leaders of the prolonged peoples war in Nicaragua (Marxist-Leninist) which "stole the show," that is why in his statements he speaks so much of his frustration as a loyal and naive fighter, and says that men and weapons have come to El Salvador to continue the struggle led from abroad.

Commander Robelo explains how his ideals were controlled by the Marxists and, shows in a map, the routes through which men and weapons were brought into our country.

Major D'Aubuisson also says he will show on television an interview by a Mexican news program with Cubans who fought in Nicaragua's southern front. The Cubans say that after finishing with Nicaragua, "Salvador, Guatemala, and Honduras are next."

The major was asked about his opinion regarding rumors of an alleged civil war in the country.

He said that talk about a civil war is a propaganda maneuver by those who keep the country in a state of war, by exploding bombs every day, machine-gunning, and carrying out executions and other activities which would lead the Western world to withdraw its support for El Salvador so that it will fall prey to those who are supported by Nicaragua, Cuba and Russia.

The Spanish war for example, was a civil war, because half of the people there were in the opposition.

He says, in any case, in our country it would not be a civil war but a Marxist adventure, or an attack.

He was asked about the Organization for the Liberation From Communism (OLC) which he said he knew nothing about. However, from what he has heard about it and from news reports, he condemns it, because they are playing the game of the extreme left, and at the same time, it is an illegal organization. He said it is up to the members of the armed forces to impose law and order, and to guarantee Slavadoran lives.

He says they are playing the game of the extreme left because this is precisely the type of activity that they want to represent with their activities of the prolonged people's war, plunging the country into greater chaos.

Major D'Aubuisson ends his interview by calling on the Salvadoran people, on behalf of the FAN, as a civic-patriotic front, to abstain from taking justice into their own hands, leaving this to the armed forces, and not to play the game of the extreme left.

CSO: 3010

EL SALVADOR

ERP SETS DEADLINE IN CASE OF KIDNAPED COFFEEGROWER; VICTIM'S MESSAGE

Deadline Set

PA021955 San Salvador Radio YSKL in Spanish 1610 GMT 2 Feb 80 PA

[Communiqué of the Revolutionary Peoples Army, dated 2 February--read by announcer]

[Text] The Revolutionary Peoples Army [ERP] announces that on 3 December, military squads of the Commander Edgardo Antonio (Salmeron) Western Front captured Mr Adolfo Mc Entee, well-known industrialist and coffeegrower of the country's western region.

So far, the negotiations have been deadlocked due to the family's intransigence in meeting our demands. On 31 January we detected the interference of the security forces in the negotiations. The family thus violated one of the essential conditions for negotiating the release of the prisoner. It absurdly proposed steps which were nothing but the ridiculous and gross traps that the security forces set against common criminals. On previous occasions, we have clearly told the family that we and only we are the ones who will decide those steps. We warn that we have already completely planned those steps to enable us to act with full advantage if there is an attempt to deceive us. We are not naive nor common criminals to fall into those traps.

We have made this known at the request of Mr Adolfo Mc Entee who wanted us to publicly announce his capture to prevent any possible confusion.

In view of this situation, we hereby tell Adolfo Mc Entee's family that since they violated an essential condition for carrying out negotiations, we give them a 24-hour deadline for publicly announcing their willingness to remove the interference of the security or other forces in the negotiations. If this is not done, we will execute Mr Adolfo Mc Entee after that deadline since we will take this as evidence that the family does not have any interest in solving the case. The deadline begins at 0700 today, 2 February, and expires at 1900 tomorrow, 3 February.

With the firm determination to fight for the Salvadoran revolution until death or victory, ERP General Staff.

Victim's Recorded Message

PA021956 San Salvador Radio Cadena YSKL in Spanish 1614 GMT 2 Feb 80 PA

[Text] The Revolutionary Peoples Army [ERP] has set a 24-hour deadline for negotiations on the release of Adolfo Mc Entee. If its demands are not met it will execute him. Here is the voice of Mr Adolfo Mc Entee in a cassette which the ERP provided along with its communique today.

[Begin recording] One February 1980. I am writing [as heard] to tell you that I am fine and to confirm that I am being held by the ERP. During all my captivity, I have been treated very well. I am given all that I need. I am addressing you once again because the gentlemen of the ERP have told me that there is some interference of the security forces in the negotiation. I ask you please to try to remove this interference and any other type of meddling which might affect the arrangements.

Jose, I ask you to be the only one involved in making the arrangements and that you strictly follow the ERP instructions. Only in this way and by meeting the demands will I be able to return to you. This is my greatest wish. I hope you will fulfill all the demands and that this will be solved soon. My love and embraces for everyone. Adolfo Mc Entee. [End recording].

CSO: 3010

EL SALVADOR

NEWSPAPER QUESTIONS INVESTIGATION OF 22 JANUARY EVENTS

PA020212 San Salvador EL INDEPENDIENTE in Spanish 1 Feb 80 p 3 PA

[Editorial]

[Text] The Justice Department, or rather the attorney general's office, claims it is very interested in pursuing an exhaustive investigation into the massacre which took place on 22 January with, we suppose, the objective of "having justice prevail," and of punishing the guilty.

In any case, the great interest of that office is strange. What is the reason for it? Actually, little or no investigation is needed. Every day, in the various news media, we hear or read of the great number of people who repudiate the aforementioned massacre to which they were witnesses.

For example: What better testimony than that of Monsignor Robero who, in one of his sermons, accused members of the security corps of being direct participants in the death of the victims of 22 January? Or, is not the direct accusation made by Dr Roberto Lara Velado enough for us? In scorning the Christian Democratic Party [PDC] for being an accomplice to, or for at least covering up the massacre, he says: "That these censurable acts have been committed in the past few days is beyond doubt. Indeed, I believe the participation of security corps agents in the shameful incidents of 22 January (this note was written on 29 January) cannot be honestly or seriously denied."

For our part, we ask ourselves why does the attorney general's office not focus its "investigations" on the security corps which many serious and honorable people have identified as the ones to blame for the frightful massacre last month? Why, we ask, weren't depositions taken from the hundreds of wounded who were left lying on the pavement, the victims of the bullets of repression? What more evidence does the attorney general's office want?

Actually, we feel that those guilty of that crime will never voluntarily confess it. Moreover, they are capable of blaming third parties, not only to free themselves of blame but also in this way to further their plan to annihilate the popular masses, who are the victims.

EL SALVADOR

SOUTH AFRICAN FRONT ISSUES MESSAGE ON KIDNAPED ENVOY

PA030147 San Salvador LA PRENSA GRAFICA in Spanish 2 Feb 80 p 45 PA

[Paid advertisement of the General Association of Salvadoran University Students at the request of the South African Liberation Front]

[Text] Letter to the secretary of the Council of Student Representatives of El Salvador university.

Dear comrades [camaradas]: Your struggle is our struggle. In the name of 25 million oppressed blacks in South Africa, we want to express our deepest and most sincere gratitude for your act of solidarity regarding the kidnaping of the reactionary and racist ambassador of South Africa in your country.

Comrades, as far as we of the South African Liberation Front [Frente de Liberacion de Sud Africa] are concerned, that person does not deserve any consideration (or mercy) from any armed revolutionary wing which captures him because he is on the top of the list of the most reactionary persons being sought by our revolutionary guerrillas because of the cruel crimes he has permitted against our people in South Africa.

Therefore, comrades we respectfully ask you to send this letter as soon as possible to the Farabundo Marti Popular Liberation Forces [FPL]. If you are unable to contact the comrades, send a photocopy of this letter translated into Spanish to the press of your country so the FPL comrades can read it and can contact us as soon as possible at the address which appears in this letter because we want to express to them our solidarity. We can express our solidarity through our presence and by taking an active part in the negotiations with the racist occupation forces or with their representatives. Since some of our people are waiting to be hanged by the reactionaries in South Africa, therefore comrades, your action has been a blessing in support of our organization. Please do not release that man until we arrive there. We would like to pressure your government to send three plane tickets so that some of our leaders can immediately arrive and cooperate with you.

The General Association of Salvadoran University Students (AEGUS) publishes this as a sign of solidarity with the brother country of South Africa.

EL SALVADOR

BRIEFS

CHRISTIAN DEMOCRATS FAVOR CHANGE--The resignation of the heads of the Defense Ministry was reportedly set in the past few hours as a new alleged condition of the Christian Democratic Party to continue cooperating with the government. This was surmised yesterday afternoon from persistent rumors in closed circles that are linked to official circles. Our reliable sources were trying to interpret the new stand of the party that is currently forming the government. It is said to be probably consistent with the "antioligarchy" line that the party has publicly advocated and which is presumably related to the mammoth peace and labor demonstration stated last December. At that time the working people reiterated their firm support for the armed forces, notably Defense Minister Col Jose Guillermo Garcia and Under Secretary Col Nicolas Carranza, Jr. According to political circles in which the alleged demand for these officers' resignation is persistently circulating, the ploy may be an attempt to create another crisis similar to the one in late December so the current Christian Democratic members of the ruling junta can come out more or less smelling like roses after trying out their luck at the state administration, obviously without the easy success they may have expected, particularly due to the firm rejection of those junta members by the so-called extreme leftwing organizations. These circles noted that a similar dispute to eliminate the only survivors of the preceding cabinet took place when it was denied a couple of weeks ago that a coup d'etat was afoot. [Text] [PA011702 San Salvador LA PRENSA GRAFICA in Spanish 31 Jan 80 pp 3, 53 PA]

SOCIAL DEMOCRATS MEET--San Jose, Costa Rica--Social Democratic leaders of Latin America and Europe are participating in a conference on the Salvadoran situation organized by the Latin American Center of Democratic Studies [Centro de Estudios Democraticos de America Latin--Cedal] at La Castelina, 25 km from San Salvador. The meeting is being attended by Brent Carlsson, secretary general of the Socialist International; Daniel Oduber, member of the National Liberation Party of Costa Rica and former president of the republic, and Guillermo Manuel Ungo of the Nationalist Revolutionary Party of El Salvador. Delegates of the People's Revolutionary Bloc, the 28 February Leagues, the United Popular Action Front and the Nationalist Democratic Union, which made up the National Revolutionary Coordinating Board of El Salvador, are also participating. [Text] [PA011714 Managua Radio Sandino in Spanish 0300 GMT 1 Feb 80 PA]

TEACHERS ANNOUNCE STRIKE--The 21 June National Association of Salvadoran Educators [Andes--21 June] has announced that on Monday, Tuesday and Wednesday, 4 to 6 February, the nation's teachers will stage a general strike to protest the assassinations of teachers committed in the past few days. Five of our colleagues have been killed. Andes has announced that it would respond in order to end the repression. Its organizations have decided to stage a strike from 4 to 6 February throughout the nation as an expression of mourning over the death of our colleagues. This strike also has the objective of demanding that authorities in charge of education take the necessary measures to safeguard the lives of our colleagues and expedite the processing of the requests which have been pending since last year and which seek the benefit of all Salvadoran educators. [Excerpts] [PA012222 San Salvador Radio Cadena Central in Spanish 1635 GMT 1 Feb 80 PA]

TALKS ON LP-28 TAKEOVER--Negotiations between the members of the 28 February People's Leagues [LP-28] and top-ranking leaders of the Christian Democratic Party [PDC] will continue at 1400 [2000 GMT] today at an undisclosed location. It is publicly known that the main headquarters of the PDC has been occupied for the past several days by LP-28 militants. Reports indicate that the negotiations will be carried out by top LP-28 leaders, with Mario and Ruben Zamora representing the PDC. The LP-28 have said they want the PDC to provide definitive and immediate answers to the requests made as a condition for vacating the PDC headquarters. They have added that the occupation will continue for an indefinite period until the PDC fully and effectively complies with the following terms: One, that in order to agree to be members of the present government junta, the PDC would ask the Salvadoran armed forces to halt repression of all types, a practice which has not occurred according to the LP-28. [No other demands reported.] This is why they will remain for an indefinite period in the PDC headquarters. In any case, the important thing is that at 1400 today, Mario and Ruben Zamora, top leaders of the PDC, and leaders of the LP-28 will continue their meetings in an effort to resolve the issue of the occupation of the PDC headquarters in the capital. [Excerpts] [PA020008 San Salvador Radio Cadena YSKL in Spanish 1700 GMT 1 Feb 80 PA]

BANKS TO BE NATIONALIZED--San Salvador, 1 Feb (ACAN-EFE)--Salvadoran Economy Minister Oscar Menjivar stated here today that the Salvadoran banks will be nationalized in order to benefit all sectors in the country. He stressed that up to now the savings of Salvadorans have been used for loans for a small group of persons and that with the nationalization of the banks there will be development opportunities for all the sectors. He said that the Salvadoran currency, the colon, has not been and will not be devaluated and that it remains stable. Regarding the flight of capital, he noted that this is occurring but that the country is a long way away from a breakdown in the economic system. Roberto Solorzano, under secretary of economy, told newsmen that the supply of sugar and other staples is guaranteed and that the existing problems in the areas of production have been overcome thanks to a dialog between employers and workers. He concluded by stating that there will not be an increase in bus fares and that the revolutionary

government will assume the deficit of the bus companies so as not to affect the users. He specified that the state will pay 5 cents (\$0.02) per bus fare. [Text] [PA020200 Panama City ACAN in Spanish 2335 GMT 1 Feb 80 PA]

JUNTA TALKS WITH EXTREMISTS--The Salvadoran Government junta is ready to negotiate with the leftist extremists holding 15 hostages in the headquarters of the Christian Democratic Party, a government spokesman said today in San Salvador. One of the hostages is 16-year-old Marina Morales, daughter of Jose Antonio Morales Ehrlich, who is a member of the civilian-military government and a Christian Democratic Party leader. A junta spokesman told newsmen that the members of the junta have been prepared to hold talks with the leftists from the moment they seized the political party's headquarters and demanded the resignation of the junta and the release of 200 political prisoners. [Text] [PA020214 Panama City Televisora Nacional in Spanish 2315 GMT 1 Feb 80 PA]

ERP DENIES PART IN EXTORTION--The Revolutionary Peoples Army [ERP] reports in a communique that groups of extortionists are using its name in poorly written notes to medium and small proprietors in which small amounts of money are being demanded. It adds that frequently the amount demanded on the basis of death threats amounts only to 20 colones. The ERP explains that its battle is against U.S. imperialism, oligarchs and those participating in the government's junta maneuver [maniobrea juntista]. It adds: We declare this band of thieves an enemy of the people and of the popular and revolutionary organizations since it is stealing from those who earn their living and acquire their properties honestly. The ERP promised to join in efforts with the people to unmask and severely punish these persons. The ERP also claimed responsibility for acts of sabotage in the homes of Ernesto Alfaro and Orlando Bonilla in the city of San Vicente early on Thursday. [Text] [PA021638 San Salvador LA PRENSA GRAFICA in Spanish 20 Jan 80 p 21 PA]

FOUR WOUNDED, ONE KILLED--There was a serious clash in the city of San Miguel near the Pan-Americana Bar this morning. Four people were wounded and one was killed. The wounded have been taken to the San Juan de Dios Hospital of San Miguel. They were identified as Julio Cesar Todriguez, Jose Felix Privado, Obidio Cruz Sanchez and Gabriel Romero Romero. The body of Mauro Gomez is still in the street near the Pan-Americana Bar. We also report that near Morazan Square a few minutes ago, four unidentified men armed with pistols and submachine guns stopped a city bus of San Salvador route No 1. They made all the passengers get off, opened fire on the bus tires and then left the bus in the middle of the street, blocking traffic. They also placed a banner of the leftist organizations which operate in San Salvador on top of the bus. The union of residents of slum dwellers which belongs to the national coordinating board has taken responsibility for this action. [Text] [PA022235 San Salvador Radio Cadena YSKL in Spanish 1737 GMT 2 Feb 80 PA]

TWO CARS BURNED--[Program in progress] ...It was reported that they threw incendiary bombs against two automobiles with license plates No 17764 and 95901 which were parked there. Fire truck No 15 was able to put out the fire. It was reported that the two cars were destroyed. We repeat this report. Two vehicles were set on fire a few minutes ago on Ruben Dario Street and 17th Avenue. [Text] [PA022236 San Salvador Radio Cadena Central in Spanish 1745 GMT 2 Feb 80 PA]

LABOR GROUPS JOIN FEDERATION--Despite the increased maneuvers of the management sector against the advance of the labor movement in El Salvador, a new front of the masses was created in that country as 14 labor unions of the industrial sector joined the Revolutionary Labor Federation. The ceremony was attended by the secretaries general of the Peoples Revolutionary Bloc, the United Popular Action Front and the 28 February Peoples Leagues: Juan Chacon, Alberto Ramos and Leoncio Pinchente, respectively. [Text] [PA032019 Havana International Service in Spanish 1800 GMT 3 Feb 80 PA]

CSO: 3010

GUATEMALA

OFFICIAL VERSION OF STATE OF ECONOMY PUBLISHED

Guatemala DIARIO DE CENTRO AMERICA in Spanish 10 Jan 80 pp 3,4

/Speech by Presidential Public Relations Secretary Carlos Toledo Vielmann on 9 January 1980 at the National Palace in Guatemala City/

/Text/ Yesterday afternoon at the National Palace Banquet Hall, Presidential Public Relations Secretary Carlos Toledo Vielmann, on behalf of Minister of Economy Valentin Solorzano Fernandez, gave a detailed account of the state of the economy in Guatemala. He focused on various problems and on the nation's economic outlook. The undersecretary for public relations, Maj Rolando Archila Marroquin, was also present. The complete text of his speech follows.

As we begin 1980 it is indispensable that we analyze the economic situation and outlook for the future and that we make these views and information public because the people have a right to be informed about what action the government of President Lucas Garcia has taken and will take to solve the many problems we must face because Guatemala is part of a worldwide economic plan whose influence we cannot escape.

Both external and internal factors have a decisive impact on our economy. I will discuss the external factors first. The most significant has been the increase in crude oil prices in recent years, especially 1979 when prices rose 50.4 percent. This has created serious imbalances in our production capacity and in the competitiveness of our goods and services. Because our major source of energy is oil, the price of oil has had a major impact on our economy. Any changes in price are directly felt in the cost of electricity, transportation, production and in the sales of all products.

There are also worldwide monetary imbalances which in the past year caused gold prices to rise nearly 158.7 percent. The relationship between the price of gold and hard currencies seriously affects relationships within the international monetary system. Some hard currencies in Central America have been especially hard hit and have had to be devalued from time to time against other hard currencies. This has resulted in an increase in the price of imported products that are vital Guatemala's industry and agriculture.

In addition to these situations, the Guatemalan economy has been hard hit because of the drop in the world production of some basic crops such as wheat whose price rose as a result of the crop failure in the Soviet Union. This led the USSR to make massive wheat purchases from the United States, our traditional supplier, which raised the price of wheat.

Point of origin costs have affected imported raw materials for the processing industry resulting in higher prices that Guatemala must pay. The direct impact on our industry which accounts for a third of our exports has seriously affected our economy. However, controls and anti-inflationary measures imposed by the government and the Central Bank in 1979 have lessened their impact. According to the most recent data provided by the IMF, the price index in Guatemala rose 9 percent. This is below the world figure of 12.2 percent and much lower than the overall figure for Latin America of 42.6 percent. El Salvador, the Bahamas and Guatemala had the lowest price index. The 1979 price index in the United States, despite its economic power and production capacity, rose to 11.3 percent. In other words, the United States had a higher price index than Guatemala.

Among the internal factors affecting our economy and causing higher consumer prices are structural ones which must be changed. In my view, the major cause is that historically our agricultural sector has produced primarily for export: coffee, cotton, cardamom, meat, bananas and sugar. These products account for a large percentage of our foreign currency reserves. Changes in the sale price of these products or in the price of semiprocessed materials that go into their production directly affect costs and, as a result, prices.

The government is promoting structural changes in agricultural production whose effects will be felt over the next 20 years. It has accelerated agricultural production for internal consumption without ignoring our export requirements. What is needed, then, is increased food production and heavy investments in the economy. This must be carried out through well-developed plans that emphasize agricultural production for the domestic market as well as production for export. We should not forget that within the next few years our country will have oil. By that time we should have strong agricultural production which will save Guatemala from the fate suffered by many countries that have developed their oil production at the expense of food production and then had to use their oil revenues to import food rather than using it to raise their rate of capitalization and development. The production of food for domestic consumption should be operated as a business enterprise rather than perpetuating the idea that peasant farmers should be responsible for this activity.

The program calling for the development of the North Transversal Belt will provide the basis for agricultural production that will supply food to the Guatemalan people.

A key factor affecting our economy is the prices Guatemalans pay for staples because of the nation's deficient infrastructure in the area of transportation. Regardless of how important the production of food becomes, the program will not be successful unless it is coupled with the parallel development of a distribution system that includes access roads, primary roads, economic means of transportation and canning and storage systems.

One of the key elements of development is the production of hydroelectricity using the natural resources in our nation. To date only 2 percent of our water resources have been used. By making greater use of our water resources, Guatemala can, to a great extent, cut back on its fuel imports for transportation and industrial production. We should think about our oil as providing the basis for a large petrochemical industry, which will raise us to a privileged position in Central America and the Caribbean, and about channeling exports of that nonrenewable resource within the shortest possible time into domestic use, converting it into capital and using it for the overall development of our country.

Since assuming his post, the Minister of Economy has said that the only effective way to combat inflation is by increasing production and productivity so that during his first year and a half in office he has implemented a program in keeping with this belief. Furthermore, the Minister of Agriculture is responsible for several programs designed to increase agricultural production and productivity. The government, through the various agencies under the Ministry of Agriculture, has intensified its efforts to help small farmers improve their family income. To accomplish this it is promoting a program of "family packages" which enable the poorest peasant to organize, with the help of his family, small farms for growing vegetables, raising laying chickens or pigs for their own use and selling any excess in their village. In addition, mini-irrigation programs have been undertaken to help small growers use their land throughout the year without having to depend on rainfall. These programs will help peasant families who currently cannot work their land to its full capacity because of the dry season to increase their income. The programs will also help to prevent losses during the rainy season. Steps have also been taken to establish tree nurseries (primarily for fruit trees) in all major localities to allow peasants to diversify their production.

Because of its great concern over the low income of small farmers engaged in seasonal planting of traditional crops in areas not suited for this and over soil erosion produced by such farming, the government will soon begin an intensive crop substitution program in those areas where land currently is underutilized. This situation not only affects family income but the nation's economic situation as well.

The Minister of Economy, for his part, to implement his industrial development program has invested 185.7 million quetzals in 17 industrial

and one tourism project through CORFINA /National Finance Corporation/ which supplied 86 percent of the financing and owns some shares. The remaining 14 percent of the capital came from the private sector. It is estimated that this investment will generate an estimated 928.5 million quetzals over the medium term.

The 18 projects will create 7,252 new jobs and benefit 36,260 family members. To strengthen the foundation of self-sufficient economic development, emphasis is being placed on agroindustry whose products benefit broad segments of society and which makes good use of the nation's resources. This does not mean that the processing industry will not continue to receive the help the government feels it needs to receive.

The programs I just mentioned are:

Food

Programs to industrialize food production that have already been undertaken were selected because they would allow consumers to purchase semi-processed food that is easier to prepare and sell and they will help to save on fuel that is used to manufacture it. Following is a list of these programs:

- a) apple processing in the altiplano which represents an investment of 882,428 quetzals that will create 149 jobs;
- b) organization of a tomato industry representing an investment of 1.93 million quetzals that will create 327 jobs;
- c) garlic dehydration plant representing an investment of 1.4 million quetzals that will create 237 jobs;
- d) vegetable and strawberries freezer plant representing an investment of 727,082 quetzals that will create 123 new jobs;
- e) pickled vegetables cannery representing a 823,260 quetzal investment that will create 140 jobs;
- d) potato dehydration plant representing a 2.43 million quetzal investment that will create 412 jobs;
- e) mushroom processing plant representing a 1.3 million quetzal investment that will create 222 new jobs; and
- f) candied fruit plant representing a 715,300 quetzal investment that will create 104 jobs.

Lumber

Several programs will be undertaken in the early months of 1980. The major ones are: planking and plywood representing an 8.5 million quetzal investment that will create 1,500 new jobs.

Textiles

Cotton spinning mill representing an investment of 2 million quetzals that will create 339 jobs. To date we have exported our raw cotton and imported cotton thread. Starting this year we will use thread made in Guatemala. We will also be exporting thread this year.

Pulp and Paper

Representing an investment of 150 million quetzals that will create 1,200 jobs. It will be the most important industry in Central America.

Nonmetallic Minerals

Some 1.29 million quetzals will be invested in sand and gravel operations that will create 220 new jobs.

Some 3.03 million quetzals will be invested in lime hydrate operations and will create 514 new jobs.

Metalworks

Grinding wheels representing a 1.01 million quetzal investment that will create 171 jobs.

Hinges and other hardware representing a 1.44 million quetzal investment that will create 246 jobs.

Faucets and passkeys representing a 1.4 million quetzal investment that will create 246 jobs.

Chemicals

Castor oil representing a 4.5 million quetzal investment that will create 771 new jobs.

In addition to the industrial projects, a tourism project calling for a 2 million quetzal investment will be undertaken. This project will create 339 jobs.

In keeping with the recently published law on industrial decentralization, all the above mentioned projects will be established outside Guatemala department in areas that are suitable for each project thus stimulating development there.

As you can see, my fellow Guatemalans, this requires a serious effort by the government and private enterprise. But in all fairness it must be said that it has been the government who has promoted all of these projects and made available the technical and financial resources to carry them out. This then, my fellow Guatemalans, is the government's response to inflation: an aggressive and well-executed industrial production program which, unquestionably, will ease inflation because, as I said earlier, only by increasing production and productivity can inflation be combatted effectively and the necessary defenses created that will soften the impact on our economy of external factors.

Despite everything that has been said and because it is felt to be the most effective method, the Minister of Economy will attempt to strengthen enforcement of price controls. To accomplish this it will create new legal mechanisms that will allow more severe measures to be taken to control prices so that supplies are always available and food speculation is stopped. Strict controls will be maintained on consumer goods and their raw materials to guarantee an adequate supply. Any product that is in short supply will be placed on a list of nonexportable items.

The government through the Minister of Economy is attempting to stimulate the private sector into cooperating to find solutions to the many social problems affecting the Guatemalan people. It has been determined that a major portion of any price increase is attributable to the middleman who passes on his costs to the consumer. Given our present economic structure with its widespread poverty, it would not be just to curtail the middleman's activities and deprive him of making a living. But it is just to create a system that will supply the people more directly and cheaply. To accomplish this, as I have already said, we are encouraging all directors of banks, factories, industries, transportation companies and all companies producing goods and services to help organize consumer cooperatives on their premises so that goods will be cheaper.

If we receive the businessmen's cooperation, the wage adjustments, which are based on the high cost of living, could be handled through the expansion of benefits available to the workers to include free services such as mass transportation, day care centers, medical services at the place of employment available on a 1 or 2 hour basis per day to avoid the loss of man hours while workers seek treatment elsewhere, and low cost cafeterias at the place of employment. In this way, without increasing the amount of money in circulation, the workers could enjoy a better life. The Workers Bank will make funds available for the establishment of consumer cooperatives. Retail and food cooperatives will be established in the districts and settlements under its jurisdiction to bring down prices on consumer goods. A system for making direct purchases from the producer will be established. These goods will then be sold to small businessmen at noninflated prices because the middleman has been eliminated. And, finally, consumer organizations will be promoted to keep the consumer informed of the prevailing market prices and to defend the purchasing power of their paychecks.

The construction industry is a factor in helping to balance unemployment. Recently, this sector has been stagnant primarily because of political reasons and tight external credit. The government, however, will take steps on two fronts to stimulate activity in this sector. First, by making public investments in housing. This commitment will require 3.09 million quetzals to produce 2,208 units in the Cuatro de Febrero, Kjell Laugerud, Nino Dormido, Bethania-Sur-Centro, Galerias Bethania and Nuestra Senora de Asuncion settlements. Some 2,520 units will be constructed at a cost of 12.87 million quetzals in Totonicapan, Quiche, Salama, El Progreso, Chimaltenango, Zacapa, Jalapa and Sacatepequez departments. In February the Housing Bank which I head will accept bids for the construction of the Nimajuyu project which consists of 3,400 condominium units at a cost of 22 million quetzals. In addition, 5.2 million quetzals will be earmarked for the construction of a minimum of 500 homes. Also, 1.8 million quetzals will be made available in construction loans to individuals owning property.

This represents the activities of the public sector. As for the private sector efforts are being made to establish a special line of credit to stimulate housing construction which will not be affected by increases in interest rates. In other words, the construction industry will receive credit assistance from the banking system. This project will be submitted soon to the proper authorities.

Central American Common Market

In 1979 some Central American Common Market members experienced socio-political changes which affected the distribution of their resources and considerably altered their normal economic development. These events disrupted communications among the common market countries, investment opportunities and means of payment. As a result, reduced transactions affected production and foreign exchange reserves which are basic to the economic development of the nations of the region. In addition, the uncertainty among financial institutions directly affected investments and jobs.

Despite these problems, work is continuing on the revision of import duties among the common market members. A new Central American import tax schedule will be devised. Decisions have already been made on some 300 categories on the tariff list. At the last meeting of economic ministers in Heredia, Costa Rica, it was made very clear that the member nations are determined to continue the Free Trade Zone now in operation and to find suitable ways for dealing with the new situations.

My fellow Guatemalans, the President has entrusted me with the nation's economic interests and the direction of our economy. My optimism is based on objection actions. My remarks are not mere words without foundation. I am describing to you a plan in the struggle to maintain production and

consumption levels and the rate of development and growth of our economy. I have used figures and definitions which cannot be more detailed given the confines of a televised speech. But I am firmly convinced that our country is starting a new era of accomplishments and economic growth that is already underway and will, unquestionably, benefit all Guatemalans. Our duty is to see to it that these benefits reach everyone and that our people finally attain the much desired improvements they have sought for centuries.

Thank you for listening and may you have a happy new year.

8599
CSO: 3010

GUATEMALA

SOME EMBASSY OCCUPIERS NOT IDENTIFIED AS PEASANTS

PA022247 Panama City ACAN in Spanish 1730 GMT 2 Feb 80 PA

[Text] Guatema~~l~~al City, 2 Feb (ACAN-EFE)--Not all occupants of the Spanish Embassy in Guatemala were peasants. There were also law students, a worker and a nun.

The "Democratic Committee Against Repression" to which labor, student and religious groups belong, today reclaimed the bodies and released the official list of victims.

Of those killed in the fire at the embassy, which included diplomats, employees and former Guatemalan officials, were 19 peasants. 5 law students of the San Carlos National and Autonomous University, a worker and a nun.

Of the 25 bodies already identified, 4 were women, including university student Sonia Megaly Welches Valdes, a supposed group leader, and nun Maria Ramirez Anay, the only native of "Chajul."

Of the rest of the peasants seven were from Uspantan. One was from San Pablo El Baldio. One was from "Rabinal," in lower Verapaz; and the place of origin of nine others is still unknown.

The identification seems to confirm the government report that the group occupying the Spanish Embassy merely used the name of "Simple Peasants of Chajul" as an excuse for their action.

This introduces a new aspect in the already tense calm affecting the Guatemalan capital. This comes at a time when preparations are underway for the funeral of the victims--who died from their own actions--which will be massively attended and to which the entire population and popular organizations are being invited.

Yesterday evening, during the common wake for the victims being at the old university auditorium, several incidents took place including when unidentified persons opened fire inside the premises and wounded a student.

Meanwhile, in several points of the city, four other city service buses were set on fire by groups who, after forcing the drivers and passengers to abandon the vehicle, proceeded to destroy them.

On Thursday night, another six buses had been similarly attacked.

Aside from commercial activities, all entertainment and other centers appear empty. The people who are not working today preferred to stay away from downtown fearing disturbances.

CSO: 3010

GUATEMALA

GOVERNMENT BLAMES EMBASSY INCIDENT ON TERRORISTS

PA010507 Panama City ACAN in Spanish 0428 GMT 1 Feb 80 PA

[Article by Mauricio Barrera]

[Text] Guatemala City, 31 Jan (ACAN-EFE)--The Guatemalan Government tonight condemned the attack against the Spanish Embassy here describing it as "a terrorist massacre."

In a message carried over the radio to the nation, Carlos Toledo Vielman, government public relations secretary, said that only four of the persons who occupied the embassy were peasants and the other 28 were terrorists.

The occupation of the Spanish Embassy in Guatemala carried out by 32 assailants resulted in the death of 38 persons. They burned themselves together with the six hostages to avoid being taken by the police. When the police tried to evacuate them from the building, the occupants detonated a Molotov cocktail which quickly burned the top floor of the embassy where the assailants and hostages were trapped.

Maximo Cajal Lopez, the Spanish ambassador was the only one who could save himself by sneaking out of the room in a moment of confusion, thereby avoiding certain death. He escaped from the flames with burns and head injuries.

The six hostages included Jaime Ruiz del Arbol, embassy secretary, Luis Felipe Saenz, the chancellor, and embassy employees Mirian Rodriguez and Nora de Acino.

The other two hostages were former Guatemalan Vice President Eduardo Caceres Lehnhoff and former Foreign Minister Adolfo Molina Orantes, both of them lawyers who were visiting the embassy at the time, preparing for their attendance at the Spanish American lawyers' congress to be held in Spain.

The Guatemalan Government spokesman indicated that the group of attackers was led by a 25-year-old woman, possibly Sonia Magaly Welches Valdez.

According to the official, the attack on the Spanish Embassy was called "Plan of Ascent" [Plan de Subida].

The Guatemalan Government reported that the group of attackers had left the university campus this morning and had gathered at a movie theatre before occupying the embassy.

Government spokesman Toledo Vielman showed newsmen three Molotov cocktails and the red and black handkerchiefs which the police found in the first floor of the embassy.

The government statement issued tonight indicated that "the constitutional government of the republic vigorously condemns the terrorist massacre in the Spanish Embassy and blames the extremist clandestine terrorist groups which have sowed sorrow and death among the peaceful Guatemalan people."

The government statement adds that "the immolation of brilliant and peaceful Guatemalan citizens such as former Vice President Eduardo Caceres Lehnhoff and former Foreign Minister Adolfo Molina Orantes as well as the diplomatic officials will not go unpunished. For this reason, we warn the extremist organizations that we will act drastically, using the existing laws for the benefit of the honest, peaceful and productive citizens of the country.

"The government of the republic extends its most heartfelt condolences to the relatives of the innocent victims of these fanatics of terror and violence, guaranteeing to the people that it will fight vigorously against the extremist psychopaths who seek to grab power by using ridiculous and anti-patriotic arguments of alleged social demands," the statement concluded.

CSO: 3010

GUATEMALA

MADRID NOTES GUATEMALAN GOVERNMENT'S 'COLD' ATTITUDE

LD01110 Madrid Domestic Service in Spanish 0700 GMT 1 Feb 80 LD

[Excerpts] And now, Cirilo Rodriguez is in touch with Joaquin Tagar, our special correspondent in the area. [Passage omitted on Rodriguez's request for recapitulation of events]

[Tagar] [Passage omitted on time of attack, entry of the peasants into the embassy] Once the peasants were all inside, they shut the doors. They said it was a takeover and that they wanted to make a series of requests. The ambassador tried to convince them to leave the building because although it had been easy for them to get in, later it would be very difficult to get out.

[Rodriguez] Sorry, Tagar. Were the peasants armed?

[Tagar] They were carrying gasoline bombs. Later they took out guns, although at first they could not be seen. They took out about five guns, found after the fire. They also had machetes, but it is normal in Guatemala for the peasants to carry machetes.

[Rodriguez] Then what happened?

[Tagar] Then the ambassador tried to speak to them. He told them that he agreed to present their requests. At the same time the ambassador phoned Madrid to report the takeover. He asked the Spanish Foreign Ministry to speak with the Foreign Ministry here, so that the police would not act. This was told us by the Spanish ambassador, Maximi Cajal, in the hospital room where he lies badly injured. [Passage omitted on the storming of the embassy and the death toll]

[Rodriguez] What has been the reaction of the Guatemalan Government?

[Tagar] The reaction of the Guatemalan Government appeared tremendously cold to us. In an official communique, issued at 2130 over radio and television, the government blamed the terrorists for everything. They were the bad guys. Most of the long communique was devoted to the reading of some

pamphlets and leaflets found in the knapsacks of the occupiers, who had taken shelter on the first floor, and the rest is given to condemning, once again, terrorism, etc., etc. And it seemed to us that it was a very cold attitude toward the reality of a Spanish Embassy which today was totally attacked by force, by the police. [Passage omitted on Tagar's speculat' ns on the possible increase in tension in the country.

CSO: 3010

GUATEMALA

BRIEFS

VISITS CANCELED--In view of the recent political developments, several international Social Democratic leaders will not be coming to Guatemala after all. Several international Social Democratic leaders, including Mario Soares and Felipe Gonzalez, who had confirmed their participation in the events slated to commemorate the first anniversary of the assassination of Dr Alberto Fuentes Mohr, stayed in Panama upon learning about the latest political developments that had taken place in Guatemala, more specifically, the assassination of Abraham Ixcampari, first secretary of the United Revolutionary Front's political council. This measure by leaders Suarez and Gonzalez was reportedly endorsed by Nicaraguan reconstruction junta member Dr Sergio Ramirez Mercado, who had also planned to attend these events. Their decision presumably was also made in the wake of a statement by the presidency's public relations secretary to the effect that no guarantee can be given to these political leaders since they are not coming on official missions. [Text] [PA021511 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 25 Jan 80 PA]

FUR OPPOSES GOVERNMENT LEGALLY--The United Revolutionary Front [FUR] continues its struggle against the government. The FUR adds, however, that it does respect the law. The FUR once again is forced to protest a campaign of slander against its leaders seeking to confuse public opinion and to cause a split in the FUR leadership. A flyer was distributed yesterday accusing FUR leaders of participating in illegal activities, especially of having ordered its armed commandos to murder Abraham Campari, and other crimes. FUR has issued a press communiqué saying that in accordance with the law it participates as a legal organization duly registered by the electoral board and would by no means carry out the activities of which it is accused in the anonymous flyers. [Text] [PA010019 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 26 Jan 80 PA]

ATTACK ON EMBASSY CONDEMNED--The constitutional government of the republic vigorously condemns the terrorist massacre at the Spanish Embassy and holds responsible the clandestine terrorist factions of extremists who have sown sorrow and death among the peaceful people of Guatemala. The immolation of brilliant and peaceful Guatemalans such as former Vice President Eduardo Caceres Lehnhoff and former Foreign Minister Adolfo Molina Orantes as well

as diplomatic officials of the Spanish representation will not go unpunished. The extremist organizations are warned that drastic action will be taken on the basis of the law against all those who are subverting the order established for the benefit of the nation's honest and peaceful citizens. The government of the republic presents its deepest condolences to the relatives of the innocent victims of this (?consequence) of terror and violence, and assures all the people that it will combat energetically the extremist psychopaths who are seeking to seize power under ridiculous and antipatriotic arguments of alleged social reform. [Dated] Guatemala City, 31 January 1980. [Text] [PA011339 Guatemala City Foreign Service in Spanish 1230 GMT 1 Feb 80 PA]

END TO PERSECUTION DEMANDED--More than 100 peasants of El Quiche visited the headquarters of the University Students Association [AEJ] to ask for protection. More than 100 peasants of the zone of [names indistinct] in El Quiche yesterday visited the AEU headquarters in San Carlos University to ask for protection in view of the kidnapings and assassinations that have been occurring in their area for some time. In view of the peasants' charges, the AEU publicly demanded that the government immediately stop the persecution of the peasants of El Quiche and withdraw the military detachments which operate in the area since the peasants said that they are involved in their work and have no need for the military detachments. [Text] [PA010427 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 24 Jan 80 PA]

PUNISHMENT FOR GUILTY PARTIES--Guatemala City, 2 Feb (ACAN-EFE)--Guatemalan Foreign Minister Rafael Castillo Valdes today promised Pedro Bermejo, the Spanish Government's special envoy that his country will investigate the tragic events at the Spanish Embassy and will punish the guilty parties. Castillo Valdes and Pedro Bermejo, director of Spanish-American affairs met today, at the request of the Spanish special envoy. Bermejo told ACAN-EFE that the Guatemalan foreign minister expressed his desire for moderation and cordiality despite the break in relations between Spain and Guatemala. The Guatemalan foreign minister's statement apparently hinted at a possible reestablishment of relations once the investigation has been completed and the persons responsible for the massacre at the Spanish Embassy have been punished. Bermejo also said the Spanish ambassador to Guatemala, whose whereabouts are being kept secret for security reasons, has a fever. Blood tests are being taken to avert infection from the burns he suffered. Asked about Ambassador Maximo Cajal's return to Spain, Bermejo said it all depended on the doctors, but that because of his condition, he would probably remain in Guatemala for a few days more. [Excerpts] [PA031656 Panama City ACAN in Spanish 0210 GMT 3 Feb 80 PA]

CSO: 3010

HONDURAS

ANDEAN PACT DELEGATION VISIT WELCOMED

PA011656 Tegucigalpa Domestic Service in Spanish 1130 GMT 31 Jan 80 PA

[Commentary]

Excerpts] An official delegation of the Andean Pact countries has been visiting Central America. The delegation met with the Honduran military junta this week. The South American delegates--Hilario Cardoso, Venezuelan ambassador to the OAS; Cornelio Reyes, Colombian ambassador to Venezuela; Galo Leoro, Ecuadorean Foreign Ministry special adviser; and Carlos Pozo, Venezuelan official acting as secretary of the delegation--held a friendly conversation with Gen Policarpo Paz Garcia, president of the military junta, for approximately 1 hour.

The governments of the Andean Pact apparently are somewhat worried about the political, social and economic problems in Central America. No doubt they place special significance to the armed actions in some of these countries that are causing a climate of uncertainty and terror.

Perhaps to avoid misunderstandings which could have risen regarding their conversations with Central American governments, the delegates explained through Hilario Cardoso that there is no interventionist purpose in their visit. In a statement to the Honduran press, Cardoso said the talks with the Honduran leaders touched on the common concern we have over the political, economic and social fate of these nations.

Interdependence among countries today is such that no problem can go unnoticed by another country. Stability or instability in Central America concerns and affects the Andean Pact and Latin America in general. This is why we wish to know more about the situation, to keep clearly in mind the position of the Andean Pact of being always willing to support anything that means an opening to freedom, self-determination and strengthening of democracy as a system of government. We are respectful of the principles of nonintervention and self-determination. We believe that the security of human rights, of international social justice and reaffirmation of democracy are principles which should always have our backing.

The Andean Pact will always encourage de facto or constitutional governments in the measure that they confirm their intention of moving toward a democratic institutionalization, to respect freedom through processes which prove in reality the honesty of such intentions. Under such conditions, the world would have no reason not to recognize them or to limit their relations, because this would only discourage those efforts. As long as those principles are not affected, the members of the Andean Pact will maintain and support not only pluralist coexistence but will encourage the efforts carried out by a country on behalf of freedom.

CSO: 3010

HONDURAS

CITIZENS URGED TO TRUST ARMY; ACTIVISTS TIED TO BPR

PA310202 Tegucigalpa Domestic Service in Spanish 0400 GMT 29 Jan 80 PA

[Commentary]

[Text] For some time now, movements have existed in Honduras whose aim is to change the democratic system of government for a system that satisfies the political aspirations of the enemies of freedom. On certain occasions, the intellectual leaders of these movements have used the people grouped in teacher and student organizations and workers and peasant unions to further their goals. Most of those who appear as supporters of the organized agitation are individuals unaware of the true goals of those who falsely claim to be the defenders of the poor, the oppressed and the exploited for whom they demand the best living conditions consistent with the well-known principle of social justice they advocate which is the humanitarian obligation of giving to each not what is theirs but what each needs. Attempts have been made for many years in the northern coast to induce workers and peasants there to participate in an antidemocratic adventure. The agitators have used the pretext of a struggle against exploitation many times to create subversion and anarchy. The just right to strike in cases contemplated by the law has been abused sometimes to the detriment of the praiseworthy goals of the Honduran labor movement. The workers, however, have understood that there are forces wanting to put an end to their social conquests and have immediately condemned and rejected the activities of the enemies of democracy.

The military government has attentively protected the workers' rights. The workers are receiving government guarantees in their efforts to improve the social and economic living conditions because they are an important factor in the country's economic development. The first law prohibiting and punishing all activities that threaten the democratic way of government of Honduras was issued in 1946. Other laws aimed at defending social tranquillity and public freedom were issued later on during the administrations of Ramon Villeda Morales and Julio Lozano Diaz. In other words, these laws guarantee the democratic life of Honduras.

Unbiased observers have deplored the fact that there are professors at certain universities who lend themselves to corrupt the souls and feelings of students by indoctrinating them in the lost paths of disorder, rebellion and violence.

In their task, these professors teach students by using communist texts and with this unfortunate guidance, the students become leaders of the anti-democratic cause and [word indistinct] become enemies of our history and the good values of the spirit.

Our society is being threatened by youths who deserve a better moral and intellectual destiny in order to serve the fatherland.

The prominent news right now is the existence of a group of activists of the so-called People's Unity Movement [MUP] recently discovered by the authorities of the public security forces somewhere in the suburb of San Miguel. It has been said that these activists, who were involved in a bloody incident, were carrying sophisticated weapons similar to those used by Salvadoran guerrilla groups. The official report indicates that the MUP has ties with the Peoples Revolutionary Bloc of El Salvador and is also made up of university students whose ages range between 20 and 25 years. It has also been said that their activities have included attacks against several banks in the country.

Although this worries Hondurans, used to having a climate of tranquillity, the armed forces government has controlled the activists of the front in question and remain ready, prepared and capable enough to preserve peace, tranquillity and public order. The government remains unperturbed trying to restore juridical normalcy to the Honduran people. The citizens must have complete trust in the patriotic decisions of the military government.

CSO: 3010

HONDURAS

STATION COMMENTARY PRAISES ARMED FORCES

PA011907 Tegucigalpa Domestic Service in Spanish 0400 GMT 1 Feb 80 PA

[Commentary]

[Excerpt] Honduras has always respected the rights of other countries in Central America and has always maintained cordial and fraternal relations. It has been a generous haven for those seeking hospitality. The armed forces and the national government, zealous in the observance of their duty, remain steadfast to crush any outbreak of subversion or disorder.

Although it is true they guarantee the rights of the people, and abstain from any repressive act or despotism, the attitude of the armed forces and government should not be construed as weakness in the face of provocations and threats of those who would bring anarchy to our country.

The government's tolerance should not be construed as fear of the actions of professional agitators willing to turn the climate of freedom into a fertilized field for their antisocial and antidemocratic activities. The people of Honduras have a commitment to the electoral process and they are confident of a prompt return to the constitutional system. The armed forces and the government will not allow an interruption of the present electoral process. Subversive groups will have to respect the democratic April elections.

The armed forces government, in fulfilling its duties, enjoys the full co-operation of the special public security corps. This institution assumes responsibilities in accordance with its obligations for the maintenance of law and order and acts in accordance with its mission, which is the preservation and defense of security and welfare of the people and respect for property and traditions. Therefore, the army and the police act jointly in a task which the people applaud.

Recently government officials have been involved in actions that have been an immediate response to all the incidents that have shaken the peace of the capital and other cities in the republic. The army, special security corps and members of the National Investigation Department are dedicated to

their task of combating crime, robbery, assault, kidnaping and any other terrorist or political action that could endanger the peace of the country and Honduran democracy.

Security officials must have the effective cooperation of all Hondurans to maintain the noble conquests of peace and labor. All of us are committed to the defense of our institutions, our freedoms and our nation. Our actions must be coordinated for the sake of our national interests.

CSO: 3010

HONDURAS

BRIEFS

TROUBLE AFTER FARE HIKES--Serious problems are expected here today after the urban transportation union met last night and decided unilaterally to raise the urban transportation fare by 5 centavos. Several peoples organizations have been expecting transporters to do this and were ready to take action. Serious consequences are expected today. Some peoples organizations are already out in the streets ready to attack the urban buses if they charge 20 centavos for a ride. This could happen today, since the hike will go into effect today. [Armando Arevalo] [Text] [PA011458 Tegucigalpa Radio America in Spanish 1715 GMT 31 Jan 80 PA]

FUEL PRICE INCREASES--Yesterday, the government approved a new increase in fuel prices. The armed forces government will authorize the prices of petroleum byproducts beginning on Monday. The Committee of Decree No 91 yesterday decided to recommend the military government junta approve the increases recently requested by the Texaco refinery through the Economy Ministry. The price structure of the petroleum byproducts will be as follows: San Pedro Sula, 3.62 lempiras; Tegucigalpa, premium gasoline--3.80, regular--3.57, diesel--2.11, kerosene--2.08. Premium gasoline has increased by 25 cents, regular by 30 cents, diesel by 30 cents and kerosene by 28 cents. Jet fuel for the air force is increased by 23 cents. Jet fuel for others is increased 21 cents. Bunker oil for the [name indistinct] is increased 14 cents. Liquid gas is increased by 25 cents. The Committee of Decree 91 recommended these new prices and with these new prices Honduras will recover what the Texaco refinery profited by illegally charging 910,000 lempiras in the last price increase in 1979. According to the directors of the committee, with the new prices, the Honduran people will be recovering what the transnational company obtained when the Economy Ministry authorized increases which were not approved by the military government junta.
[Sercano item] [Text] [PA022243 Tegucigalpa Voz de Honduras in Spanish 1720 GMT 2 Feb 80 PA]

CSO: 3010

NICARAGUA

SOCIAL CHRISTIAN PARTY ISSUES NEW YEAR'S COMMUNIQUE

Managua EL PUEBLO in Spanish 14, 15 Jan 80

[A paid announcement by the Nicaraguan Social Christian Party [PSC]: "All of Us Are the Solution"]

[14 Jan 80 pp 4-5]

[Text] A. Introduction

As this new year begins, also marking the beginning of a new decade, we make the first revolutionary summation to which the people have the right, a summation derived from an examination of our triumphant revolution, seeking the necessary equilibrium that will allow it to consolidate its positive gains; to correct, while on the march, the errors that have been committed and to assert with specific deeds a proclaimed political and programmatic philosophy of a pluralist nature, which is the only guarantee of its correct projection toward the future.

The revolution belongs to all of us Nicaraguans. That is why it is not only the right but the duty of everyone to contribute to its progress and consolidation, supporting that which benefits it and, in a fraternal and revolutionary spirit, indicating the errors committed.

As in every human endeavor, there are undoubtedly aspects during the course of our young process which are, and can be, described as true accomplishments, particularly with respect to structural changes, and there are also those actions of a negative nature in other aspects, which have aroused a natural distrust and even open rejection by various sectors of the country.

Among the relevant changes of a quantitative and qualitative nature, the following are prominent: The abolition and dismantling of Somoza's repressive laws and institutions; nationalization of banks, the financial system, insurance companies and mining enterprises; the expropriation and incorporation into the process of Agrarian Reform of productive lands which previously belonged to the dictator and his party leaders and which make up a large part of the best land of the country;

the restriction of rental rates and a new plan for the objectives of the housing program aimed at satisfying the social needs of the majority and not the desire for profits of a few; the adoption of a new international policy of having relations with all the countries, which with a reciprocal adherence to a universal principal, will respect our self-determination and sovereignty, and not a policy of alinement with any of the great world imperialist blocs; the effort in medical-social care for all the population; the empetus in the field of education and culture, particularly with respect to the popular desire of the people to assert the values which make up our national profile and identity; the desire to overcome illiteracy and the signing and ratification of international agreements in the field of human rights.

Among the factors which make up the negative part of the process and which we believe can be overcome, because we trust in the rectifying capability of our revolution when an error is made, are: Violation of human rights, which have been revealed by many accusations, and the lack of diligence in investigating them by the authorities; the inexplicable delay in the passage of the Law of Constitutional Guarantees [Ley de Amparo]; political-ideological sectarianism contained in verbal expressions and behaviors of certain official sectors, which are objectively incompatible with the spirit and the letter of the new State of Law contained in the basic law on rights and guarantees of the Nicaraguans. This sectarianism is particularly noticeable in the harassment by word and deed to which union, trade union, political and popular organizations are subjected to when in the legitimate exercise of their rights they refuse to submit to the pressures which seek to impose "onliness" against pluralism in matters of political, social and economic organization for which the revolution was made and for which it lives; finally, there is noted a growing lack of public and personal security, which only contributes to erode the trust of the citizenry, to the detriment of a needed national unity preached in words but not backed up by deeds.

For that reason, the Nicaraguan Social Christian Party believes it proper to explain its present position to the Nicaraguan people with respect to the process of changes our country is undergoing as a contribution which will serve to unite the efforts of all in the solution of the problems which affect all.

B. Economic Aspect

1. Overall Economic Situation

1.1. Chaos Inherited From the Genocidal Dictatorship

The economic life of the country depends primarily on the productive potential of the nation. This basic awareness raises to the degree of a categoric imperative the great concern that should be maintained by

every responsible and serious government activity in this sensitive area on which in great measure depends the fulfillment of the goals of the revolution in the other sectors. The Somoza regime, in the paroxysm of its unpatriotic conception, sought not only a maximum looting of state coffers but also the damage of the productive machinery of the country, leaving us a legacy of a kingdom of economic chaos.

This damage is visible in the decline of production in the rural areas as a result of the peasant flight from the north and the south, as they fled from the indiscriminate repression of the Somozist guard. It is also noted in the economic and fiscal aggressions against the productive persons and sectors, which culminated with the physical destruction of industrial plants and commercial establishments by bombings in the final days of the war. It is also visible in the looting of the assets of different agricultural-livestock enterprises and in the smuggling of livestock across both borders, which has caused a noticeable decline in the herds of the country. This is not to mention the damage caused by the deactivation of the fishing industry as a result of the piratical hijacking of the majority of the units of the fleets on both oceans, which were used by the Somozist guards to escape abroad. If to this we add the dramatic case of cotton, the picture becomes even more somber, particularly in view of the objective presence of a burdensome foreign debt which exceeds \$1.5 billion.

1.2. Specific Measures for Stimulating Production

In view of this difficult situation, there is required, as a patriotic task, the reactivation and stabilization of the economy on the basis of a production increased beyond its former levels. That is the way it is understood by all the aware sectors of the country, and that is the way it is stated by the pertinent title of the National Reconstruction Government Program. However, it is a patriotic duty to recognize also that things are not going as they should in this aspect. The coining of a slogan has been accomplished but the specific measures adopted up to this time have not shown that they contain the necessary degree of incentives that production requires in the present phase.

Instead of investing energy in the formulation and repetition of slogans to encourage participation by Nicaraguans in the great goals of our revolution, government leadership should sharpen its mind to evaluate which types of specific measures adopted provide incentives and which provide disincentives for the attainment of those goals. A calm examination of the events that have taken place in the half year of revolutionary exercise of public power in the vital area of the economy is, in our opinion, not only a priority but an urgent task. This examination leads us forcibly to confirm the existence of a slogan with which all of us in the forces which support the program of the National Reconstruction Government are in agreement. That slogan

says: "Let us increase production, let us crush the counterrevolution." It is not necessary to delve deeper into an analysis of its content to understand that the possibility of counterrevolution is inversely proportional to the capacity for production of the goods and services that the new existing order is capable of providing to the people, particularly to the large dispossessed sectors who have waited so long to overcome their deprivation. It must be made clear that the country cannot continue depending indefinitely on donations of grains, powdered milk, medicines and so forth, which come from the democratic systems of the world, nor on the communiques of solidarity and symbolic aid from other regimes more interested in transplanting their own type of dependence on us.

It is also obvious that there is a limit to the willingness of the people to believe that the lack of a solution to the most pressing problems can continue to be blamed exclusively on the overthrown genocidal government.

2. Realism and Revolution

There is, therefore, the need for a serious government effort to understand that the parameter of authenticity and effectiveness of the best revolutions lies not the number of decrees they can exhibit as a record nor the coining and variety of slogans their propaganda can repeat. "From the abilities of the realists come the best revolutions," said Fidel Castro when he hailed the advent of our revolutionary process last 26 July. These are not the words of a beginner but the voice of experience itself. They are the clear warning that the solution to the problem of imperialist dependence through a type of foreign subsidy of development does not produce independence, but rather greater forms of imperialist hobbies for the affected country. Lacking the capability to produce the foreign exchange to pay for the mortgage generated by the subsidy, the dependent country has to pay "in kind" pledging not only its raw materials in advance, but as in certain cases, also sacrificing that which is most dear to the pride of any sovereign nation: The blood of its own sons.

The attainment of a model of independent development, which is the goal of our revolution, should be firmly and primarily based on the domestic productive effort of the country and not on the debtor's subjection to any world hegemonic bloc, as is proclaimed by the doctrine of non-alinement to which Nicaragua adheres by its own sovereign will. It is necessary, therefore, to produce more every day so as to win a larger share of independence within the framework of world events.

3. Contradiction Between the Economic Program and Facts

However, to increase production it is necessary to have a full understanding that it is not a matter of a simple and well-outlined phenomenon which can be put into action by the mere issuance of the pertinent propaganda. That is important, but it is not enough. Production is a complex phenomenon among whose components is included the psychological factor inherent in the human beings responsible for producing the goods and services for the country.

The National Reconstruction Government Program establishes as a goal the gradual progress toward the configuration of a mixed economy in which the following will coexist: A state and public property area of precise scope and with clearly defined characteristics; a private area and a third area characterized by investments "by the public and private sectors." (See II Economic Area 2.1.3 of the Government Program). As for the rest, it relates to the plan for immediate recovery whose purposes are "to promote the reactivation and stabilization of the economy." To achieve that, the program establishes the adoption of "specific measures and programs" on the following aspects: Jobs, agricultural and industrial production, monetary and exchange policy, foreign trade, and so forth.

The aforementioned quotes are for the purpose of supporting the following statements:

- i) From the formal programmatical point of view, there is a clear rationality and coherence in economic matters, which also agrees with the declared objective we all share of replacing the "traditional paternalistic principles of government," in this aspect "by a government action which will promote and encourage individual participation by all Nicaraguans in the solution of their own problems" (See II Economic Area 2.1.4 of the Government Program).
- ii) There are incidents, which because of their repetition unfortunately we cannot describe as "isolated," of behavior by certain representative government agencies, which seriously harm the rationality and coherence of the National Reconstruction Program in the sensitive area of the economy. This is particularly noticeable in the lack of that "precise scope and clearly defined characteristics," the government program establishes for each of the economic areas. Such is the case of the disorderly and/or contradictory proliferation of administrative measures raised as hindrances to the promotion and encouragement of participation, which means they become obstacles to the increase in production.

iii) The statements by some majors and government leaders attacking the private sector tend to discourage domestic as well as foreign investment. The arguments used in the attack against the initiative of installing a nonstate television channel are the most obvious negation of the encouragement the government should provide to the making of investments. Therefore, it is not the program content that will attract investment and credit but the clear actions and attitudes of those responsible for leading this process.

4. Basic Pillars of Productive Effort

Agriculture, livestock-raising and fishing are the basic pillars on which the Nicaraguan economic-productive activity should be supported. The characteristic of seasonal production which typifies our main export products leads to the need for reflection as to the care they deserve. A clear policy of credit incentives added to the guarantee of supplies of materials and the assurance of a market, among others, are rational and coherent measures aimed at increasing production. On the contrary, the psychological harassment of intimidating oratory, the not always justified prior seizure of production units, physical constraints, the policy of compulsory unionism into a single union federation, and so forth, cause insecurity and discouragement in the rural area, which is the equivalent of an objective disincentive to production.

Similar concepts are generally valid in the case of the products of industry and commerce. However, because of the nature of their own vigor, these activities, which are great generators of jobs and are therefore of great obvious social interest, suffer the negative effect of a sudden and irrational eruption of a discouraging, bureaucratic storm of red tape.

5. Economic Responsibility for the Future

The endeavor to reactivate and stabilize the economy by far exceeds the framework of merely economic-technical measures to become, as in fact it is, a political endeavor. Basic instructions and decisions come from the political branch and on their specific nature depends the success or failure in achieving the goals proposed in the economic field.

If the policy of the government (any government in any system) is directed toward the objective encouragement of participation by all productive sectors, adapting for this purpose the operation of the pertinent mechanisms, production will increase. On the contrary, if those mechanisms, perhaps because of an erroneous interpretation of the economic policy of the central government, do not free the incentives ordered for increasing production, not only will it not increase, but it will decline even more. That is the reality of facts toward which mental inflexibilities are of no use.

[15 Jan 80 pp 4,5,6]

C. Political-Social Aspect

1. Revolution and Freedom

When dealing with the political aspect, any analysis from an ideological perspective always find that the key to every truly revolutionary process lies in freedom. Its existence or denial, its indiscriminate extension to all citizens or its restriction to a certain sector in power, in the final instance determines whether a regime is democratic or undemocratic (dictatorial). The Nicaraguan people certainly do not need to be given lessons on this subject nor are they willing to accept deceitful interpretations of what freedom is or is not, because it is not in vain that they already had the experience of a Calvary of 45 years of struggle against dictatorship and for freedom, and it cannot be supposed that they do not know how to tell the difference.

Democracy and complete freedom is a right won with blood by all Nicaraguans and today it is fitting that we exercise it in all its magnitude. The PSC believes that there are signs that show a tendency not to really democratize the country and it believes that the National Reconstruction Government Junta has the historical responsibility to guide that process toward a system of freedoms and ideological and social pluralism in a democracy of participation. To attain this goal, tens of thousands of our brothers gave their generous lives and no one, under any pretext, must dream of betraying this ideal. Only by exercising freedom can the new man, in an authentic and effective way, embark on the construction of the new society of free men.

2. Human Rights

On a national and international level this revolution raised the standard of struggle for the imposition of respect for the human rights trampled by the Somoza dictatorship. We can declare that it was the most dynamic rallying factor for civic and popular support, the decisive adjunct to armed pressure in the victory against Somoza. This standard was established as the virtual detonator of many types of actions in Nicaragua and the entire world, striking formidable blows of moral and political nature against the genocidal regime, creating the conditions for its final defeat. Those memorable days are recorded in many documents of international agencies and by filmed and written reports of various types, among which the official reports of the OAS and the United Nations, as well as the documentary "Free Fatherland or Death," filmed and distributed by the FSLN [Sandinist National Liberation Front], and the testimony before the U.S. Congress by representatives of the opposition to Somoza, are prominent. All this, undoubtedly, is a deserved tribute to the men and women of the Permanent Human Rights Commission (CPDH),

whose pluralist and nonsectarian concept allowed the decisive incorporation of sectors to work together for the protection of life, against physical and moral torture, for finding the "disappeared," for the prisoners, for the children, in short, for the common good.

All of the foregoing aroused among Nicaraguans, regardless of classes and religious and party beliefs, the legitimate hope that respect for human rights would be the number one priority of revolutionary government actions as a logical attitude compatible with its proclamations. Unfortunately, such is not the case. Beyond what could be considered isolated excesses of executions, arrests and disappearances of people attributable to the confusion and state of mind existing in the context of a post-war confrontation, the problem of respect for human rights remains today in Nicaragua to a degree which must be faced and corrected quickly and vigorously.

We Social Christians believe that observance of human rights in Nicaragua is a vital need for the construction of the new society; for that reason, compliance cannot be subordinated to sectarian or partisan interests.

We Nicaraguans involved in the revolution cannot invoke them only when it is of benefit to our private interests. We Social Christians reiterate that the observance of human rights we have always advocated does not mean an absence of justice but rather its correct and strict application. We also believe that this is a task which concerns all Nicaraguans, but basically it should be a priority concern and an overriding responsibility of the government for obvious reasons.

3. A New Government Behavior

Government leaders have the elementary duty, not only of seeking and obtaining the cooperation of all the sectors who made the revolution possible and desire to consolidate it in this critical temporary phase, but to make an effort to keep their actions and words worthy of the dignity and thought that their investiture as government leaders implies. The act of governing has a teaching connotation that is more profound than some appear to suppose. This is so to such a degree that it can be said that the best lesson from which the people may learn and become great is not contained in any book but in the good example derived from the words and behavior of government leaders.

Words are the foundation of every constructive action. It is not with offensive words, which attempt to discredit those who do not share a particular manner of viewing things, that a contribution is made to the construction of a new society of free men in which the right of citizens to have their own opinion and the freedom of speech to express it, is consecrated.

The actions and work of statesmen should contribute to improving the image of the state. It is not the capricious departure from the role of a public figure, a purveyor of the common good, to become the instigator who pits one citizen against the other that enhances the image of trustworthiness, the state must have and project before the citizens, an image as the institution called upon to safeguard their rights and guarantees.

It is necessary that our government leaders promote the exercise of criticism; that they promote the abolishment of fear to express an opinion (fear which was the mainstay of Somozism); that they promote fraternity above and beyond ideological beliefs, because all that will contribute to the creation of the new man, to the construction of the new society. The wisdom of the Nicaraguans knows very well how to identify arrogance, insolence, vulgarity, mockery, instigation and discrimination because they were the usual methods of the Somozist dictatorship. Therefore, whoever has the leadership responsibility in this process should be wary of yielding to these temptations and serve all the people with humility and civic responsibility.

4. Security of the State

For 45 years our people saw themselves subjected to the repression and constant surveillance of the Office of National Security, whose atrocious crimes are a history of cruelty and obscurantism. For that reason, every method which tends to create political surveillance and informing among neighbors, as is happening in the CDS [Sandinist Defense Committees], which are still in the hands of the Somozists, and directives of ideological discrimination, spying at work, education centers and so forth, are the object of repudiation by our people.

It is the right of Nicaraguans to know the legal regulation for the operation of agencies assigned to watch over the security of the state and the citizens. The fact that in order to accomplish simple operations private information is required that goes beyond the merely legal and financial, forces one to think that perhaps information for files on the citizens is being provided for unknown purposes. This is particularly obvious in the illegal attempts at manipulation which seek to distort the function of the community action of the CDS, contaminating them with bureaucratism. Moreover, it is the demand of the people that they be informed as to who is advising the government on matters of national security because the influence of foreign "technicians" in this aspect, particularly if they are from countries without a democratic tradition, causes unease among the citizens, who reject political espionage because it was a characteristic of Somozism. This chapter is particularly worrisome because of the existence of specific charges of torture inflicted by foreign interrogators on Nicaraguan citizens who go to prison. The imprisonment of known anti-Somozist leaders and militants on charges to which they have not been given the chance to defend themselves publicly, is also a reason for unease.

5. Means of Communication

It should be a priority task for the National Reconstruction Government Junta to establish clearcut differences in the use of official broadcasting means, particularly because of the existing confusion between state policy and the FSLN party policy with respect to the use of such means of communication. We believe that the press, radio and television of the state should be at the service of all Nicaraguans and not for just one single political organization, because this, in addition to confusing the national interests with those of a certain group, is an obvious discrimination against the other socioeconomic, political and cultural forces of the country and an obvious opportunism. The state can have its own radio broadcasting station and its own television channel and its own means of information, but they should follow guidelines of a national character, particularly with respect to the use of the national patriotic symbols, that is, our national anthem, our shield and the blue and white flag. Any deviation from this norm tends to assign the patriotic symbols to a certain sector or to relegate those symbols to a secondary place. In this aspect, the PSC believes that such deviation has taken place with the issuance of the decree establishing the simultaneous pledging of allegiance to the blue and white flag, which is the national patriotic symbol, and to the flag whose colors are those of a political-military organization. Such is the case of Decree No 66 dated 13 September 1979 published in GACETA No 14 dated 20 September, which establishes the joint pledge to the national and FSLN flags. That tends to confuse national with party matters.

The aforementioned decree, which gives the red and black flag a connotation of being a national flag, should in any case be accompanied by another decree which will ban the use of this flag for party purposes if it is really a case of not wanting to confuse national with party matters or trying to deceive our people, because it is a present-day reality that under the cover of the symbols of Sandino, his figure and his thought, a Marxist-Leninist indoctrination is being accomplished. Quite the opposite, on the same date on which the aforementioned decree was issued, another one was passed which reserves the exclusive use of the term "Sandinist" and the aforementioned flag to the FSLN. It becomes obvious, therefore, that through such decrees an attempt is being made to force all Nicaraguans to join a single party ruled by the aforementioned ideology.

To attempt by decree or other coercive measures to induce the support or affiliation of the citizens in a certain group or party is a violation of Sandinist principles and of the Basic Law on Rights and Guarantees of the Nicaraguans.

For the aforementioned reasons, our party believes it is timely and necessary that the contradictions of Decrees 66 and 67 be reviewed and that the corrections required for eliminating them be made.

With respect to the communications media confiscated from Somoza and his henchmen, a correct indorsement by the state of objective democratic coexistence would be the correction of the vice of de facto appropriations of that media, which belong to all the people, by certain political and parapolitical organizations. Arbitrary assignments should give way to the legal procedure of bids. This same spirit, in compliance with the existing revolutionary legal regulations, is the basis for the installation and operation of the mass media--written, radio and television. Freedom of the press and the right to healthy recreation are indissolubly linked to the principle of pluralism and freedom of choice. Imposition and monotony are their most flagrant denial.

6. Mass Control of the Human Being

We note with alarm the clear trend toward the depersonalization of our people through the use of methods and techniques of mass control propaganda, which attempts to replace choice born of free thought with submissive obedience. The degree of importance it deserves in the revolutionary process has not been given to the family, the basic unit of every society, by state political propaganda.

We believe that Nicaraguan men and women should not become mere instruments of production or submissive followers of political slogans. On the contrary, we have the firm conviction that the human being is in essence a being gifted with dignity and reason, therefore, he should not be subjected to any type of alienating treatment that will tend to destroy his own thinking and reasoning nature, his own spirit.

The most effective manner of incorporating the Nicaraguans into the revolutionary process is by calling upon them without sectarianisms to participate in the tasks of reconstruction, by convincing them that this effort is not only for their own welfare and that of the country but that it is within the framework of the search for the new man and the construction of the new society of free men.

7. A Required Political-Military Definition

We find an obvious contradiction between the concept of the army as established by the National Reconstruction Government Program and what some want it to be in practice. This can be seen in the manifest tendency to make a partisan entity of it around a political organization which will dictate the guidelines to be followed. The army of the General of Free Men was called the "National Sovereignty Defense Army," and the Basic Law establishes that "a new national army shall be organized, whose basic principles will be the defense of the democratic process and the sovereignty and independence of the nation, as well as the integrity of its territory."

The fact that the national army is called the Sandinist Popular Army and that there also is the Sandinist Air Force and the Sandinist National Police, all these organizations being strictly military, and that at the same time, in addition to the FSLN, there are non military organizations which use the title "Sandinist" such as the Sandinist Workers Federation, the 19 July Sandinist Youth, the Sandinist Defense Committees, and the Sandinist Television System, suggests an obvious political-military tendency aimed at creating a single structural system of the country around a single organization, particularly when on repeated occasions there has been talk of establishing a Sandinist Party. The lessons of history show us clearly that any sectarian merger of the military with party activity has always resulted in the emergence of dictatorial and authoritarian militarisms.

We believe that the term "Sandinist" has a national connotation because the thinking of Sandino is common to all Nicaraguans, who aspire and work selflessly and unstintingly for a genuinely sovereign and independent country where there are no underprivileged or privileged and where a spirit of solidarity with the rest of the fraternal countries of Latin America and the world who struggle for similar ideal and goals is fostered. Sandinism is the authentic manifestation of the revolution that we Nicaraguans want: nationalist, anti-imperialist, democratic, just, popular, pluralist and sharing. That is why we Nicaraguans, who participated in the different trenches in the struggle for the overthrow of the dictatorship, found it proper to rally around the memory of Sandino, who is a symbol of patriotism and Nicaraguan identity, alien to all sectarianism. However, it is well-known that there is a sector which is attempting, under the cover of Sandinism, the promotion and implantation of a Marxism-Leninism of Cuban-Soviet type, which because it is totalitarian is the denial of Sandinist ideology. The Nicaraguan people, liberated from North American imperialist domination, will not accept falling under that of the also repressive and materialistic Russian imperialism, whose armed presence in Afghanistan, its most recent victim, is a violation of the principle of nonintervention and of the right to self-determination of peoples, violation, which pursuant to its present policy of nonalignment, it behooves Nicaragua to condemn vigorously.

That is why we are in favor of having the military organizations use the term "Sandinist" because it is a term which resulted from a popular uprising inspired by the ideas of Gen Augusto Cesar Sandino, but we do not believe that any political and party organization should use that title because it demeans the image of the army itself, which as the Government Program and the Basic Law establish, is national and as such belongs to all Nicaraguans. There can be no actual democracy when the armed forces become politicized with a specific ideology and when para-party organizations are created, which when they join their roots with those of the army obviously tend to overwhelm any other political, labor or trade union force in Nicaragua. All of this is in opposition to the

new society of free men which Sandino called upon us to build, because more than anything, it leads to the installation of a totalitarian model which is its denial.

8. Use of Confiscated Property

We believe it to be necessary that the Attorney General of the Republic publish a list of confiscations made since it began to exercise its functions and tell what has been done with the affected property. The fact that the genocidal dictator, his military clique, and his favorite politicians owned almost everything capable of creating wealth in Nicaragua, means that the state is now owner of a large percentage (in some cases 100 percent) of the principal productive activities of the country. All this brings as a consequence the need to establish an effective administrative structure to boost the real production of the property mentioned. We also believe that the historical period and conditions are proper for promoting, on the basis of the confiscated production units, and with a noncapitalist character, the creation of real worker enterprises in which they can share, co-manage or self-manage, or, they can be collective property. It is only on these bases that real access can be opened for the workers to collective government.

This model of ownership would also contribute to increasing productivity.

We also believe it is the duty of the Attorney General's Office to report on the basis of which decree automobiles and buildings have been assigned to civilian personnel. It is known that some furniture and buildings have been assigned to civilian personnel. It is known that some furniture and buildings, which today belong to the state, are used by persons and organizations who are not part of the central government. It is proper, on the other hand, to know whether the occupants of these houses are paying for their water, electricity, telephone and cleaning and maintenance of streets. Public institutions which need to be solvent for the performance of their various activities, cannot fail to collect for those services without prejudicing national reconstruction, services which are paid for by all the inhabitants of the country.

9. On National Unity

A distorted concept of what the state, political-party and private areas should be led Somoza and the Somozist system to create an undemocratic and antipeople system, a merger of interests characterized by "onliness" in which everything was subordinated to the arbitrary decision of the one who considered himself to be the only entrepreneur, the only industrialist, the only businessman, the only interventionist, the only cattleman, the only bean-grower, the only rice-grower, the only coffee-grower, the only fisherman, the only banker-financier, the only endorser, the only manager, the only military man, the only communicator, in short,

the only beneficiary because he was the only chief of the only party and of the repressive machinery on which he based his only system of dictatorial imposition. The Nicaraguan people revolted against all this, initiating the democratic unity of all sectors to fight against those evils and with the determination to do away with them forever so that they, like Somoza, would belong to the waste bin of history.

In this new phase it is a priority task to expand and consolidate that national unity. Therefore, it is necessary that some of the members of our government, above and beyond sectarian interests, attain a greater awareness that their work as statesmen has national unity as a goal so as to fulfill the vital need of consolidating the revolutionary process in this critical transitory phase. From this derives the duty to seek and obtain, through a respectful and fraternal dialog, the co-operation of all the sectors which made the revolution possible and who want to consolidate it.

There are alien sectors who have enormous economic resources (in addition to the Somozist sectors), who are greatly desirous of having this popular revolution fail.

This is a reality our government should consider and evaluate profoundly. Our people have placed their trust in it that a new society of free men will be built in which all Nicaraguans, without discriminations or privileges, will see the needs of the human being completely satisfied, needs which consist as much of material needs (housing, clothing, health, food and so forth) as of spiritual needs (education, culture, full enjoyment of freedom and so forth). We declare that the unity needed in this phase of the process does not mean submission to other ideas, which clash with democracy and the genuine construction of the people's government and which some sectors are trying to impose. This sectarian and opportunistic activity contributes to the creation of a disruptive division contrary to the interests of the revolution and, therefore, of the Nicaraguan people. We understand national unity as our people understood and supported it, a unity around the Government Program, around the physical and spiritual reconstruction of the country.

It is well to emphasize here that it was the plural makeup of the various vanguards and their unity which in the end decided the victory of the people over the genocidal dictatorship. On the same level as those who were the vanguard of the armed struggle, those who were in the vanguard of the defense of human rights launched their vital struggle; the struggle of the worker federations, who with the anti-Somoza parties were in the vanguard of the mobilization of the workers, the political cadres and the people's rank and file; the struggle of the business and trade union organizations, which were in the vanguard with contributions of economic and technical resources, and last because it was the first, there was the upright evangelical position of our church, vanguard par excellence for peace based on justice. Those same vanguards,

therefore, should, just as they did in the struggle to overthrow the dictatorship, remain united to overthrow sectarianism, exploitation and other manifestations of material and spiritual poverty which lie in ambush in this vital phase of reconstruction.

In keeping with this spirit of national unity and in this hour of victorious review of the people's struggle against the genocidal tyranny, we evoke the memory of the heroes and martyrs who fell in the defense of the ideal of liberty and who today are gathered to the bosom of the Almighty. Let each family, each party, each unit, each people's organization receive our tribute for each of their dead, who will never die, as we recall our comrades with emotion: Orlando Robleto Gallo, Manolo Morales, Francisco Fixione, Lidia Maradiaga, Felix Pedro Gonzalez, Cesar Garcia Corrales, Raul Barrios, Miguel Vasquez Diaz, Roger Amilcar Venerio, Juan Diaz, Henry Molina Ruiz, Orlando Corea Zamora, Jose Dolores Fletes Valle, Salvador Garcia, Francisco Hernandez, Jose Miguel Rios, Juan Francisco Paguaga Torres and many other compañeros who swell the list of patriots who are still counted among the missing.

D. Characteristics of the Model of Society the PSC Espouses

The historic goal of our revolution is the construction of a new Nicaragua of free men. For this great task, Sandino calls on all of us Nicaraguans of good will, because unlike the dictatorial and totalitarian deviations of other models near and far, the solution to this singular challenge does not belong to any one group or party. All of us are the solution.

This model of a new society of free men, which we Social Christians hope to build, is incompatible with liberal capitalism and state capitalism, sponsored respectively by North American and Russian Imperialism. Both versions, that which means the appropriation of the means of production by the traditional bourgeoisie, as well as the one which through state concentration of the same means leads to the creation of a new state bourgeoisie, prevent the real access by the workers to the role that legitimately belongs to them in the search for the new man. That is why the Nicaraguan PSC demands, in its program for the world of labor, the creation and progressive perfectioning of an area of collective property in society as one of the manifestations of the independent noncapitalist way of development we advocate. In this collective area of property the workers themselves are the owners and managers of the means of production through models of sharing co-management, self-management and community property enterprises.

It is a matter of a political-social, economic and cultural system in which participating democracy is exercised, a democracy of an integral humanistic content in which when the permanent participation of the people is insured, the people cease to be mere spectators. This democratic ideal necessarily implies the existence and promotion of an authentic ideological pluralism, the existence of freedom of thought, speech and association, the creation of civic structures in which the people can organize as a community; all of this strengthened by a liberating education. It is a system in which the economy and technology are at the service of man, and all the structures which have generated the existence of a large majority of underprivileged in our rural areas and cities will be eradicated for once and for all.

It will be a system where the structures of society and the government will promote the integral growth and formation of all the Nicaraguans in a genuinely free environment; where individual selfishness will be replaced by the communitarian spirit of solidarity and civic friendship.

It will be a system, in short, where there will be the true exercise of a real authority, self-determination in our national destiny, and our sovereignty will be strengthened; where, therefore, our national interests are not subordinated to the designs of any imperialism.

That is why, filled with the vigor born of a faith in God and in the people of which it is part, loyal to its humanistic and christian inspiration at the service of the common good of the Nicaraguans, and strengthened by the experience of a fight in keeping with the popular goal of its historic mission, the Nicaraguan PSC today reaffirms, before the country and the world, its revolutionary commitment to the construction of the new Nicaragua of free men of which Sandino dreamed. Fatherland and Freedom. Nicaraguan Social Christian Party, Managua, 6 January 1980, Year of Literacy.

8908
CSO: 3010

NICARAGUA

PCD REACTS TO GOVERNMENT MEASURES

PA051850 Managua LA PRENSA in Spanish 29 Jan 80 pp 1, 12 PA

[Text] The Democratic Conservative Party of Nicaragua [PCD] has issued two communiquees, one expressing support for the Nicaraguan Government's claim to the Roncador, Quitasueno and Serrana cays and the other protesting the closing of the newspaper EL PUEBLO and the jailing of some of its newsmen.

In the first communique, the PCD notes that Nicaraguan conservatives have always defended Nicaragua's sovereignty over its continental shelf and describes the treaty signed by the United States and Colombia in 1972, which is now pending ratification by the U.S. Congress, as "a treaty which harms our sovereignty."

The PCD communique says that "without delving into the text, style and historical references in the note sent by the Nicaraguan Foreign Ministry to U.S. Secretary of State Cyrus Vance dated 22 January concerning ratification of the treaty between that country and Colombia of 8 September 1972, pending in the U.S. Congress, it lends its support to the specific request contained in the note."

In the other communique, the members of the PCD "deplore and condemn" what they describe as the arbitrary action against the newspaper EL PUEBLO, even though the PCD, "because of its democratic essence, disagrees with the Marxist-Leninist doctrines the paper professes to uphold."

The PCD adds that, notwithstanding this dissenting view, ideas must be combated with ideas and a broad political pluralism should exist in Nicaragua.

At the end of the communique the democratic conservatives demand the immediate release of those arrested from EL PUEBLO and the return of its equipment to the respective owners, thereby allowing "this newspaper to be published with no restrictions other than those provided by law."

CSO: 3010

NICARAGUA

EDITORIAL DEFINES ROLES OF STATE, WORKERS' ORGANIZATION

PA052256 Managua BARRICADA in Spanish 28 Jan 80 p 3 PA

[Editorial: "Administration of the State and Workers' Organization"--
words between slantlines published in upper case]

[Text] Nicaragua is a democratic and popular state. The state is the instrument of the working class and is therefore the apparatus that acts on behalf of the working people's interests.

The foregoing statement means that the differences between the state and the workers are not /antagonistic/, that the democratic and popular nature of the state invites workers not to destroy it as when they were combating the dictatorship, but rather to /consolidate/ and /strengthen the apparatus of power/. How? By defending it from bureaucracy, by fighting against the deficiencies of the state structure, mistakes and everything else that stands in the way of the integral and advanced development of the state and that would detain the course of the worker's political organization.

This does not mean there will be no conflicts between the state structure and the workers. In fact, between the state and the workers there have been and will continue to be for some time minor conflicts which must be resolved through the organization of workers for the purpose of /participating in the collective solution/ of problems /according to the needs of the process/ in order to /defend and consolidate/ the interests of the /workers/ within the power apparatus.

Bureaucracy, the bourgeoisie and petty bourgeois weaknesses of certain state officials, the very stage of transition in which objective conflicts between state and workers come to the surface daily, and finally the degree of political and cultural development of our workers are factors which necessarily generate conflicts; hence the strike in our country's labor sector is understandable.

In order to vigorously resolve this situation, it is necessary to develop a workers /organization/ designed not only to satisfy immediate tactical needs, but rather, and /primarily/, to have the strategic interests of workers and peasants become a reality.

By this we mean that if our labor demands are fair, we must utilize all possible means of persuasion and understanding to resolve conflicts rather than turning to a strike as the only path to a solution without having even considered the future consequences of this action, which represent a serious obstacle to the defense and consolidation of the popular interests of the workers.

Our workers' struggle should therefore be directed toward the defense of the state, their state, from the vices of bureaucracy; from manifestations of petty bourgeoisie: from opportunistic, ultraleftist and counterrevolutionary elements which, under the guise of "defending the interests of the workers" actually represent attitudes that are fatal to the natural, conscientious and organized development of those workers and to the changes which the revolution is promoting on the workers' behalf.

The conflicts which have occurred to date between our brother workers and the state makes it necessary to zealously maintain the /independence/ of the worker and peasant political organization from state administration. For the moment, it is not a case of having the workers assume all the administrative tasks of the state, but rather of having them /guarantee/ through their political organization that this administration will continue to defend their class interests. It is therefore necessary to promote the organization and regulate the relations between the state and the workers by means of collective contracts which are in line with material possibilities and to place that organization at the service of the revolution and its needs in order to defend, consolidate and deepen it.

The bureaucracy may give its word to provide certain benefits to the workers of a company and fail to comply because it is inefficient. The workers organization must be alert for arbitrary behavior and come out in defense of its brothers. He who fails to comply must be forced to do so.

At times the relationship implied by collective contracts is misunderstood and technicians and the administration have attempted to use the Sandinist leaders to mitigate the conflicts caused by their inefficiency, with the idea that the workers organization will serve as their fire extinguishers.

This is an error and is dangerous for the workers Sandinist organization. The workers' interests must be defended by their organization; the state must be able to solve the problem before it goes to extremes such as strikes, even if to solve it requires dismissal of a bad administrator or personnel of the administrative apparatus which claims to work for the revolution.

The workers state and the workers organization must be closely linked, since both have the basic function of defending the people's interests at all times.

CSO: 3010

NICARAGUA

FORMER GUARDSMEN TRAINING FOR INVASION

PA051430 Managua LA PRENSA in Spanish 29 Jan 80 pp 1, 12 PA

[Text] Chinandega, Nicaragua--The Chinandega Sandinist police have captured former national guard sergeant Cristino Amador Blandon during a festival in El Vieuo. Blandon was taken to one of the local prisons where he will be questioned and later handed over to the special courts for trial.

Had Trained 500 Former National Guardsmen

When questioned by Rigoberto Saenz Sinclair, an officer of the P-2 Sandinist police, Blandon said that he had been head of a group of former guardsmen training for a counterrevolutionary invasion of Nicaragua.

He said that the training was done in the Cosiguina region in Nicaragua as well as in Honduras where another henchman of the genocidal Somozist guard, Juan Jose Ruiz Nunez, was also captured.

Everything seems to indicate that Blandon's statements are true. His group of traitors has been made leaderless and the Sandinist authorities and investigation police will make a thorough search to capture the other members of this group.

CSO: 3010

NICARAGUA

PANAMA'S SPADAFORA CRITICIZES SHAH'S ASYLUM

PA 070242 Panama City Televisora Nacional in Spanish 2315 GMT 6 Feb 80 PA

[Text] Hugo Spadafora, commander of the dissolved Victoriano Lorenzo international brigade that fought alongside the Sandinists, today in Managua labeled the Panamanian Government's decision to give asylum to the deposed shah of Iran a mistake. It is something with which I completely disagree, he said.

He arrived in Nicaragua 2 days ago on a private visit that will end today. When asked if the former monarch should be thrown out of Panama, he replied that he has to be handed over. Commander Spadafora, who was staying at the Camino Real Hotel in Managua, said the guerrilla brigade no longer exists but it might be rounded up again at any time.

He said the guerrilla group's members are now helping each other return to civilian life and providing economic and moral support to the relatives of the Panamanians who died or were injured during Nicaragua's liberation war. Spadafora arrived in Managua from southern Lebanon where he was the special guest of the Palestine Liberation Organization. He is expected to return to Panama today. He chose not to answer a question as to whether he would go fight in Guatemala or El Salvador but he noted that militant fellowship is needed in those and any other Latin American countries under repressive regimes.

Responding to a question on the Panamanian revolution, he said this process has been decelerated. It is a movement full of defects, deficiencies and errors. The process should be improved and intensified but it is still the great historic hope of our people. Spadafora added hs is optimistic about the Panamanian revolution.

CSO: 3010

NICARAGUA

ROBLO SPEAKS TO COSEP OF CHINANDEGA

Managua LA PRENSA in Spanish 21 Jan 80 pp 1, 12

[Article by R. Delgado Ramos]

[Text] Engineer Alfonso Robelo Callejas spoke honestly and clearly to many private businessmen in Chinandega.

It was in the Ricardo Caldera Noguera Auditorium of the Chinandega Chamber of Commerce that the member of the National Reconstruction Junta confronted the local COSEP [Higher Council of Private Enterprise], which was anxious to have a series of questions answered.

The dialog between the government representative and the holders of private capital in this department began in the presence of more than 300 persons.

Robelo Callejas started by outlining our economic situation and mentioned the country's foreign debt, which is the equivalent of \$600 per inhabitant.

He also noted the high unemployment rate in our country as a result of the disaster precipitated by the Somoza regime.

He called on the private sector to join the revolutionary process in order to defend and consolidate it.

In this connection he said: "We do not want resignation from those who lost privileges. I call on them to devote themselves entirely to this revolution so that we can achieve better social justice."

Regarding the Plan

He disclosed the Economic Reactivation Program for 1980 and gave wideranging information on each one of its seven basic facets, emphasizing that there are sufficient external resources to cover them.

With regard to agriculture and specifically cotton, he made it clear that the Nicaraguan Enterprise of Agricultural and Livestock Inputs [ENIA] would boost imports of insecticides such as methyl parathion, ethyl parathion and DDT, as well as fertilizers such as ammonium sulfate, urea, potassium muriate and others.

Overhauls will begin as soon as possible, and sufficient dollar funds will be kept in the Development Bank to import spare parts for tractors, planes, tools and farm chemicals.

He revealed that this year's poor cotton crop would cause losses of \$100 million.

The members of the Chinandega COSEP then asked Robelo Callejas a series of questions covering four areas: finances, guarantees for Chinandega's farming development in 1980, miscellaneous points about trade in general and foreign policy.

One of the questions that he was asked had to do with private enterprise's doubts about drafting just a 1-year program, which could affect the medium- and long-range investment program and the assurance of support from international financial agencies in the future.

Robelo confirmed the assured commitment of these financial agencies to continue aiding Nicaragua with loans as they see the rapid pace, technical gains and hard work that have marked our process.

He added that because the junta is one of responsibility and revolutionary honesty, it could not go further than to define what the rules of the game will be in 1980.

With regard to cotton, the marketing of basic grains, coffee, meat, bananas and other items, clear-cut guidelines will gradually be issued that will unmistakably define what the government's policy will be.

In connection with the agreed upon costs of cotton production, he said that each grower ought to keep books to establish future costs. The cost figures for the past are now ready.

Taxes

Concerning tax policy, he reported that the government would soon work out cotton financing, which will be discussed with the representatives of the trade union.

Financing will also be boosted for camps as part of the housing construction program; 5,000 of them will be put up in the countryside.

Robelo pointed out specifically that the government was looking at two taxes: an export tax when cotton growers begin making above average profits, and an income tax that would apply if a profit were made.

One of the questions that most pleased the audience had to do with the efforts that our government made to secure financing from the socialist bloc, especially Russia.

Robelo said that to date the government has received missions from the socialist countries of Bulgaria, the GDR, Libya, Iraq, Vietnam and others, but has not received any financing, only other kinds of aid, from any of them, including Russia.

He underscored that the loans that we have received so far have come from the World Bank, the Central American Bank, Venezuela, Mexico and other countries on this continent.

As to why Nicaragua did not denounce the Soviet invasion of Afghanistan, Robelo Callejas pointed out that Nicaragua abstained in the UN vote on condemnation because it was the country's reasoned opinion that the matter ought to be dealt with comprehensively.

Robelo Callejas said that he personally feels that the Soviet invasion of Afghanistan is reprehensible because it endangers world peace and, furthermore, gives license to other countries to invade nations that they consider within their orbit.

The National Junta member stated that in light of the rural gangs that are holding up payrolls, talks are going on with the police about allowing them to legally carry weapons in special cases.

He reasserted that all of the points of the Labor Code were to be enforced and that only the Inspectorship of Labor could arrange for meetings to hear labor problems. "No union can arrogate these authorities, and when such abuses are committed, they must be reported," Robelo said.

He also called on people to report to government authorities any person who is hindering free trade, inasmuch as ENABAS [National Staple Foods Enterprise] is operating parallel to the rest of the country's merchants, not as a monopoly organization.

In a wideranging and clear-cut address Mr Alejandro Araujo reported on the university extension program for the department of Chinandega, noting the importance of training agricultural and livestock specialists in accordance with the needs and conditions of each region.

This would enable major fields of study to be adapted to the revolutionary process in Chinandega, inasmuch as this department is regarded as the country's agroindustrial center. The program has an initial fund of 10 million cordobas, donated by the Gracsa Workers Union, and talks are being held to get the INRA (National Institute for Agrarian Reform) to donate 30,000 manzanas of arable land.

The program was strongly backed by Robelo Callejas himself, and he promised to let the Junta of the National Reconstruction Government know about it. A properly detailed version of the program will be submitted to university authorities in April for a determination of its feasibility.

The Chinandega COSEP was fully convinced of the need to devote itself entirely to the defense of our revolution, and thus certain fears that they harbored regarding their investments were dispelled.

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NICARAGUA

GOVERNMENT JUNTA VISITS CHINANDEGA

PA060058 Managua BARRICADA in Spanish 28 Jan 80 pp 1, 12 PA

[Text] The members of the junta of the Government of National Reconstruction had an active day Sunday in Chinandega. Commander Daniel Ortega Saavedra, Sergio Ramirez Mercado and representatives of various government organizations met with the people's organizations in that city.

The junta members swore in the municipal reconstruction junta in a massive ceremony attended by some 3,000 persons who completely filled the "Heroes and Martyrs of 2 June Plaza."

The ceremony was attended by representatives of popular organizations such as the Farm Workers Association [ATC], 19 July Sandinist Youth, Luisa Amanda Espinoza Association of Nicaraguan Women, Sandinist Workers Central and the People's Literacy Army. They expressed their full support for the Sandinist National Liberation Front [FSLN], the government junta and the people's Sandinist revolution.

Speaking for the FSLN, Carlos Jose Zamora welcomed the junta members and urged the workers to participate in the reconstruction plans and to actively support the economic reactivation plan in defense of our revolution.

ATC executive secretary Carlos Centeno Garcia said this is a crucial hour for the revolution and that the workers must support the emergency reactivation plan for the people's benefit and emphatically reject those who work to hinder the revolution. "We, the workers, must promote the revolution and increase production," he said.

Companero Sergio Ramirez spoke and, prior to swearing in the municipal junta members, said that popular organizations are the base for a true democracy such as exists in Nicaragua today.

Ramirez said there "still are politicians seeking to have the presidential band placed across their chests." "When we hear someone complain that the army, the workers central and the defense committees call themselves Sandinists, the people must reply that the real law approving the junta and the

FSLN is the law dictated by the people themselves. This is a democracy working from the ground up," Ramirez emphasized. "The only thing the government is doing is promoting the people's will."

Companero Sergio Ramirez later solicited the will of the people before swearing in the municipal junta members.

The junta members are Nicolas Santos, coordinator; Ramon Argenal, in charge of auditing and control; Antonio Lopez in charge of education; Socorro Alta-mirano Munguia, in charge of finances, and Tomas Donaire in charge of culture and sports.

Commander Daniel Ortega Saavedra then spoke. He emphasized "the people must not only work to support the municipal junta but it must also exert a revolutionary vigilance."

Ortega said the municipal junta members must be honest because not all of them were in the past.

"Here in Chichigalpa," he added, "we have acted energetically. A junta member, Mario Zuniga, is a thief and although he is still a junta member, he will be dismissed and the case presented to the attorney general's office which will transfer the case to the tribunals."

Commander Ortega said orders had been given to Companero Rogelio Ramirez so that coordinators will be given executive powers and responsibilities can be assigned.

He also urged the working people to present their economic problems and achievements to the revolution.

He also said it is very important to see the revolution's errors with a critical and constructive attitude so that the unity we proclaim can become stronger day by day.

"Counterrevolutionaries are giving money to certain newsmen, who are more properly called "pseudo newsmen," as was done by Somozism, to say that the coffee harvest had failed and that over 200,000 quintals would be lost.

"This has been done to sow uncertainty among the people about its capacity to solve its own problems and as to whether the state is not the best instrument to solve them. It has been implied that those most competent to solve problems are those who work to make more money and exploit the people."

In this respect Commander Ortega said the revolution had acted boldly and imprisoned several influential Somozist middlemen who had acted as bankers. "They were the ones who bought coffee from peasants and made millions in profits."

He later said the government is selling gold at \$800 an ounce. Regarding coffee, he said so far over 900,000 quintals of coffee berries have been

processed and that the total harvest will surpass 1.1 million quintals of coffee.

Referring specifically to the Chinandega department he said the problem there was specifically political and not economic as the enemies of the revolution pretend.

We cannot give the producers the surplus or profit, because this would only benefit a minority to the detriment of the majority."

Ortega said the San Antonio sugar mill is located in Chichigalpa. This privately owned mill was paying the highest salaries in Central America even before the revolution.

Now the revolution is administering several sugar mills and we find ourselves paying lower salaries, not because the revolution is trying to exploit workers but because we do not want to give special privileges to the sugar mill workers and instead want to try to improve working conditions.

A considerable part of the profits must go to help the unemployed and those who do not produce profits as the sugar workers do.

The workers front and the confederation for unity of trade unions [CUS] are urging the workers to demand salary increases. It is not that we defend the sugar mill owners, and even though the owners may be willing to increase salaries, we would tell them instead to pay more taxes to the state so that the unemployed will have fewer problems.

Commander Ortega said that 2 days ago counterrevolutionaries, members of the workers front, which has always opposed the armed struggle and worked closely with Somoism, did not allow Planning Minister Commander Henry Ruiz to speak at the San Antonio sugar mill. This was an act of sabotage.

"We are not going to permit attacks on the revolution because the offense there was not against Henry Ruiz but against the effort, tenacity and 20 years of struggle by the FSLN, as well as against the revolution.

"This is why we have arrested workers front members. They are enemies of our union; they have mocked us because we participated in the celebration of the Purisima [A religious festival] and Christmas and because we respect the people's traditions. They have tried to divide the workers and peasants and this is dangerous because it goes against our unity." Commander Daniel Ortega concluded.

Later the government junta members and representatives of the various government organizations went to the San Luis Institute where they held a working session in the afternoon with the members of the people's organizations in order to find solutions to the problems affecting local residents.

CSO: 3010

NICARAGUA

BORDER GUARD CHIEF DISCUSSES CONTRABAND

Managua LA PRENSA in Spanish 20 Jan 80 pp 1, 12

[Text] "In 15 days of almost organized operations, the biggest problem that the Border Guard Command has encountered has been smuggling, mainly of livestock, basic grains and fish. In the latter area, for example, we estimate that losses of up to 50 million cordobas a year are being caused by pirate vessels identified as Honduran, Korean, American, Salvadoran, Japanese, etc," the chief of the Border Guard Command, Col Richard Lugo, told LA PRENSA.

We were told that the Border Guard Division of the Defense Ministry is engaged mainly in monitoring our land and maritime borders; our revolutionary government also regards its ocean borders as socially, militarily and economically important.

Lugo stated that from a social standpoint his instructions are to incorporate distant and neglected zones, along with their population centers, into the general social and economic plan that the National Reconstruction Government has drafted.

Referring to the economic implications of monitoring our borders, Lugo stressed the problem of contraband. "We all know how it is affecting us right now, although we have already taken efficient steps in this regard and located many smugglers, whose names we will reveal to the people of Nicaragua in due time."

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NICARAGUA

BRIEFS

NICARAGUAN FISHERMEN THANK CUBA--The fishermen's union of Nicaragua's Atlantic coast has thanked the Cuban Government and people for the donation of 22 fishing trawlers and other aid in that sphere. In a communique issued by the union of the department of Zelaya, the fishermen underscore their gratitude for the Cuban people's generosity in donating the 22 fishing trawlers, with which they demonstrate their love for these fraternal people. [Text] [FL051203 Havana Domestic Service in Spanish 1100 GMT 5 Feb 80 FL]

CSO: 3010

PANAMA

COMMUNIST POWER REAFFIRMED, SAYS OPPOSITION PAPER

PA192202 Panama City YA in Spanish 15 Jan 80 p 4 PA

[Text] Unexpectedly and using the most refined Bolshevik tactics, the communists in power in Panama have managed to weather the storm that had been closing in on them and have reaffirmed their control of the important posts they hold within the official bureaucracy, thus overcoming the pressures that elements in favor of a more definitive move toward the country's democratization had been exerting.

The pro-Soviet and pro-Fidel communist forces in power have even managed to disguise the existing differences between the Sandinist Government and the national government, to the point that, in an effort to dissemble the situation, Ambassador Aizpurua last week got an agreement with Nicaragua under which Sandinist police members will be sent to Panama to train with the Panamanian national guard.

The communist victory at the National Marketing Institute has been resounding, since one way or the other they have managed to block plans to eliminate that government agency where they are strong, but which has been characterized by inefficiency.

As we said in a previous edition, the communists also blocked the plans to remove certain officials from important cabinet posts. They accepted only the transfers of Eligio Salas, Ramiro Vasquez Chambonett, Pedro Pereira, Adolfo Ahumada and Romulo Escobar--all of whom have been appointed to diplomatic and consular posts--but they have been successfully opposing all efforts to turn toward democracy or move closer to the United States.

The People's Party has issued a communique defending the Soviet Union's actions against Afghanistan. The document has been read on one of the local stations, but the communists have not yet managed to have it published or read on official station Radio Libertad, the only official place where they have lost the battle because the new director conducted a cleanup operation and has imposed a somewhat more democratic tone in the station's broadcasts.

PANAMA

RAILROAD WORKERS CRITICIZE GOVERNMENT OPERATION OF TRACK

PA301257 Panama City Domestic Service in Spanish 0200 GMT 30 Jan 80 PA

[Excerpts] Luis Romer, secretary general of the Panama-Colon Railroad Workers Union, today denounced the illegal use of the train by individuals not connected with the railroad service and who said they were acting on orders from the Panamanian Government. Romer said this was an outrage intended to undermine the success of the strike which was called so Law 95 will be repealed.

Interviewed on the matter, the union secretary said: [Begin recording] [Words indistinct] called me to say an order had been received from the Labor Ministry saying that the railroad had to operate at all costs today. We told Mr Williams he was making a mistake by operating the railroad. First because the track had not been inspected as required. In view of the current situation in the country, it should have been inspected since we could not be certain it was in operating condition. Secondly, he was disregarding the union's stand since its decision [to go on strike] was being disavowed. The railroad was simply put into service at all costs.

The worst thing about this is what we called this morning the "kidnap of the train" by placing it into service. Regardless of the technical ability of those operating it now, they are simply not authorized to operate the railroad. It was just a matter of showing the workers that the railroad can be operated with or without them.

Furthermore, Americans were also involved, and that is a fact. We charge that sovereignty, the entry into the Canal Zone that has been questioned so often, is not so complete as claimed, since the Americans continue to rule. Panamanian administrators have been appointed but the Americans still have the final say. [End recording]

CSO: 3010

PANAMA

BRIEFS

'CHRISTIAN UNION' PARTY REGISTRATION--"Accepting the rules of the game of the electoral tribunal, the 'Christian Union' Party has decided to register and has begun organizing its cadres throughout the country," a ranking official of this new political organization has told this news officer. The new Christian Union Party defines its ideology as Christian liberal and is aligned with the opposition. According to the declaration of principles and its programmed bases the Christian Union Party has the following objectives: A) We oppose the repeal of Law 95; B) We oppose communism; C) We want a constituent assembly; D) We want to solve the problem of unemployment; E) We defend human rights of Panamanians; F) We defend the students attacked by the "courageous" militarymen; G) We defend the workers and laborers wanting to work; H) We oppose the National Council of Workers and its attempt to control the workers; I) We oppose the communist Marxist-Leninist ideology; J) We oppose rightist and leftist fascism; K) We want a labor code for public employees; L) We want the businessmen and workers to be friends and not enemies; M) We want the national guard militarymen to be disarmed; N) We want solutions and not words; O) The "Christian Union" political party seeks registration with the aim of "legalizing" its political participation. [Text] [PA290214 Panama City YA in Spanish 25 Jan 80 pp 1, 4 PA]

OPTIMISM OVER OIL FINDINGS--Panama City, 24 Jan (ACAN-EFE)--Panama has oil reserves amounting from 100 million to 500 million barrels, Panamanian engineer Jose Antonio Sossa, president of Sossa Petroleo S.A., affirmed here today. The company, of mixed Panamanian-U.S. capital, began explorations in the eastern part of the country in 1978 after signing an operation contract with the Panamanian Government. Sossa described as "excellent" the results obtained from the drilling of a well 3,000 feet deep, where "we verified there is superior development in the sedimentary strata [mantos]. This means there is a larger accumulation of hydrocarbons." In the past, several companies dedicated to oil exploration, most of them American, have unsuccessfully conducted studies in Chiriqui, Bocas del Toro and Panama Bay. According to Sossa, in mid-March his company will drill a 6,000-foot well in the Darien jungle, near the Panamanian-Colombian border. According to him, the possibility of guaranteeing the existence of commercial amounts of oil in Panama depends on the results of this exploration. The president

of Sossa Petroleo S.A. said that Panama will have "sufficient hydrocarbons" to satisfy its needs for the next 50 years. [Text] [PA260025 Panama City ACAN in Spanish 1509 GMT 24 Jan 80 PA]

SPADAFORA MEETS WITH 'ARAFAT--Dr Hugo Spadafora, who led the Panamanian brigade which fought in the guerrilla struggle against the Somoza dictatorship, met with Palestine Liberation Organization (PLO) leader Yasir 'Arafat somewhere in the Middle East. The location of the meeting was not disclosed for security reasons. Mystery had surrounded Dr Spadafora's whereabouts. There had been all types of rumors about his whereabouts to such an extent that it had even been said that he might be in Afghanistan, fighting with the Russian occupation forces. Yesterday afternoon, a local contact of Dr Hugo Spadafora told this newspaper about the meeting with 'Arafat and his visit to several eastern countries [paises orientales]. We were told that during his meeting with 'Arafat, Spadafora discussed the political and social situation of the Middle East and the PLO plans and objectives in its struggle to achieve a free territory for the Palestinians. [Text] [PA021909 Panama City YA in Spanish 1 Feb 80 p 1 PA]

NEW CANAL PROJECT--A team of Japanese businessmen will leave Tokyo tomorrow for Panama to discuss a joint \$8.3-billion project to build a new and wider Panama canal. The announcement was made by the Japanese Chamber of Commerce today. Japan's [word indistinct] ocean construction company has proposed that a new 98-km long canal be built west of the existing waterway to allow the passage of vessels of up to 300,000 tons. The team will be joined by Alaskan Senator Mike Gravel who has said the scheme would make it easier to ship Alaskan oil to the United States' east coast. [Text] [FL2402046 Kingston Domestic Service in English 2030 GMT 24 Jan 80 FL]

CSO: 3010

PEASANTS REVOLT AGAINST LAND REFORM PROGRAMS

Lima OIGA in Spanish 17-24 Dec 79 p 8

[Article by Hernan Zegarra]

[Text] Andres Luna Vargas, bearded and poncho-wearing top leader of the Peasants Confederation of Peru (CCP), of Maoist tendency, told OIGA-78 last Tuesday: "We shall continue to invade the rural property and rebel against the large landed estates in the hands of the reactionary government, the new boss which is hiding its filthy face behind the CAP [Agrarian Production Cooperative] branches and those of the SAIS [Social Interest Agricultural Organization]."

Luna Vargas was not speaking in jest. In addition to the 3,000 hectares taken over in Cajamarca 2 years ago, in the last few weeks various groups of peasants forcibly seized the Mariscal Caceres branch of CAP and the Huancavelica branch of SAIS in the department of the same name; the Antapampa cooperative in Cusco; the Manco Capac branch of CAP in Pun; and Atocsaico, the richest cattleraising area of the powerful Tupac Amaru branch of SAIS in Junin--some 30,000 hectares in all.

According to Vargas, the first-phase military regime set up a "demagogic agrarian reform" on the basis "of the rural communities and evicting the true owners of those lands." He said that the first phase abused its own law, No 17716, which, in Article 121, states that "the provisions made to transfer ownership of community property are void."

"Nevertheless," he adds, "knowing this, Agrarian Reform officials seized the Atocsaico cattle ranch from the community of San Juan de Ondores, just as the Spanish colonists seized those lands for the first time in 1707 in order not to have to pay the proper tribute to the Spanish Crown."

With the seizure of Atocsaico by the peasants and the extension of the deed of possession dictated by Victor Alvarado Morales, land judge of Cerro de Pasco, the Tupac Amaru branch of SAIS, presented in 1971 before the FAO as an "example of agrarian justice" by the military regime, crumbled like a castle made of playing cards. Later, the Agrarian Tribunal passed judgment in favor of the SAIS, but Vargas said that "the peasants can be evicted only upon death."

Military Regime Makes and Unmakes Its Agrarian Reform

How is the government confronting this peasant uprising against the Velasco Agrarian Reform? Vargas says he has talked with the minister of agriculture and nutrition and that, as a result of those conversations, "there will be no eviction of Atocsaico," leading to the conclusion that the Tupac Amaru branch of SAIS, which formerly belonged to Cerro de Pasco, has been dismembered.

OIGA-78 visited the ministry seeking information, and the only thing encountered was astonishing secrecy. In the Bureau of Support for Rural Business no one was willing to give out information, although an official acknowledged that "the sierra is moved." The same official told OIGA that peripheral newspapers had taken it upon themselves to remain silent, that the government itself is undoing its agrarian reform. He said that in the first week of December the minister of agriculture appointed two liquidating committees who have the task of dissolving the Huancavelica branch of SAIS and the Antapampa branch of CAP, the former located in Huancavelica and the latter in Cusco. According to the official, the government probably plans to eliminate many firms established from 1969 on, not so much to do justice to the communities but because many rural firms are very badly managed and are on the edge of bankruptcy.

However, rural firms affected by agrarian reform are not only invading lands which they say belong to them but, in addition, have taken steps to "hamper the voracity of the company-owned firm, Alpaca Peru." Andres Luna advised that in the district of Santa Ana, Huancavelica, eight communities have agreed not to sell alpaca wool.

It was stated at the Ministry of Agriculture and Nutrition that this was not a sectorial problem but, rather, one of company ownership. However, here again no information was forthcoming, although last Tuesday a committee of peasants from Santa Ana had made it a point to appear before the authorities to complain about abuses being carried on by Alpaca Peru which, "being a monopolistic firm," is paying 700 sols for a quintal of wool instead of the 1,000 sols it paid until last month.

Rural Escalade and Elections

The violence taking place in the central sierra and which the newspapers are not mentioning is connected with the electoral process underway. Andres Luna Vargas, among those registered with the UDP [Popular Democratic Union], points out that, in rural areas, there is not only confrontation with the "new landowners encysted in the cooperatives and SAIS" but also with APRA [American Revolutionary Popular Alliance] and Moscow-oriented organizations which want to capture the illiterate electorate.

On the one hand, APRA has formed the FENCAP (National Peruvian Peasants Federation) and, on the other, the Communist Party has organized the CCCP (General Confederation of Peruvian Peasants). Vargas says that these two organizations are trying to "prolong" agrarian reform, while the CCP, over which he presides and which includes almost all the Maoist organizations which make up the UDP, "is ready to continue to peasants' struggle by invading the land throughout the sierra." As far as Luna Vargas is concerned, the coast cooperatives are not his objective, for they have other problems which are different from those of the sierra.

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VENEZUELA

FEDECAMARAS SEES NATION ON BRINK OF 'CHAOS'

Breakdown of Public Services

Caracas EL NACIONAL in Spanish 11 Jan 80 p D-1

Article by Hugo Lopez: "Venezuela on Brink of Anarchy"

Text The further social breakdown which we have witnessed for several years at all levels and in all areas has moved Venezuela to the brink of anarchy, FEDECAMARAS Association of Chambers of Commerce and Industry president Ciro Anez Fonseca said yesterday.

"This can be seen more readily in the faulty rendering of public services, in the use and maintenance of goods and private and official mechanisms providing these services. It is somewhat like a loss of respect for authority, for the property of others, the family and traditional values which at one time were the pride of our people."

Ciro Anez Fonseca expressed concern to reporters in responding to a question about the possibility that anarchy is enveloping Venezuela.

He said that this situation is a result of the accelerated deterioration of the people's sense of responsibility because everyone is demanding their rights and forgetting completely about meeting their most basic obligations.

"We are practically on the threshold of anarchy," the FEDECAMARAS president said.

Question Do you believe that democracy can overcome this situation?

Answer We hope that it can, Anez Fonseca replied.

He said that the ability of democratic institutions to respond is directly related to the ability of the people as a whole to become aware of the need to change their attitude of indifference which governs their actions and to understand that the constant willingness to protest needs to be balanced by a willingness to make sacrifices and to compensate the people as whole because everyone is a user as well as a producer of services.

"The person providing a service either independently, through a government agency or a private company--be it small, medium or large--also requires services and the general apathy to meeting these needs can only lead to chaos."

Anez Fonseca pointed out that despite the situation he had just described the private sector is optimistic that democracy through its own mechanisms will solve the problem of the breakdown in public services.

Excessive Political Debate

Caracas EL UNIVERSAL in Spanish 9 Jan 80 p 1-12

/Article by C.R. Chavez: "Political Activity Superficial and Excessive"

/Excerpts/ Venezuelan society needs to become aware of its serious responsibility to the immediate and intervening future and her leaders need to revise their obviously superficial attitude with which they are facing problems and finding solutions for them. Parties and individuals are engaging in excessive political activity and it is annoying to see that there is no substance to their remarks and the frequency with which passions are inflamed and crises arise.

This is the first observation made by FEDECAMARAS in preparation for the Day of Reflection to be held within 3 weeks. The purpose of the meeting is to study in depth Venezuela's political, economic and social situation especially when the country is beginning a year--a decade--full of omens despite the encouraging outlook for progress which suggests development based on work, savings and creativity.

We spoke with FEDECAMARAS president Ciro Anez Fonseca about the Day of Reflection and also about the general situation in the country as viewed by the businessmen.

Three Basic Aspects

First, FEDECAMARAS believes that it is imperative for the government to provide financing to the construction sector which is one of the areas that has been hardest hit. This can be done by making funds available to the construction industry and by speeding up payment of government debts which according to the Board of Construction total nearly 8 billion bolivars. If either one or the other of these solutions is adopted, there is no question that production and employment--at least in the construction industry--will be noticeably revitalized.

But the FEDECAMARAS president went on to discuss what he calls "three phases" of problems which must be examined objectively and sincerely. These phases are:

1) Excessive political activity. This excess is seen in the high frequency and intensity of political discussions in the country and the minimum time given to in depth discussions of the nation's serious economic and social problems. At times it would seem that we are still in an election year or that the country is in an institutional crisis and the political parties need to appeal to the public in their discussion of problems affecting the very foundations of our institutional system.

In addition to being excessive, this political activity has been converted into a superficial exercise in dialectics which is completely parochial, lacking in substance and content. This basically means that there is a waste of time. While it is true that in a democracy all ideas and problems--including those of a political nature, of course--should be discussed, it is also true that when a society is faced with a delicate period of great challenge, as our present situation, political activity should be reduced to a necessary minimum to allow debate on basic problems and, in particular, a search for solutions by all institutions, both public and private.

Obviously, Venezuelans need to spend more time on those things which directly affect social development because without responsibility, dedication and a willingness to engage in creative activities, political democracy could be seriously compromised.

2) FEDECAMARAS maintains that Venezuelans must change their attitude towards the readjustments being produced by the development policy. In other words the people should change their attitude on the style of government we now have and on the type of economic policy that is being adopted.

The idea that participation as a democratic concept should apply at all levels and to all kinds of institutions in the country. Because just as the political parties, the union and labor federations participate in the life of the nation through their national leadership, so also does the community of businessmen--composed of over 200,000 active businessmen throughout the country--have a right to participate actively in the life of the nation.

This change of attitude, however, says the FEDECAMARAS president, cannot be limited or reduced to a mere adaptation to the changes produced by political decisions made at the top. It would be advisable to think about--as an eminent Venezuelan philosopher recently expressed--the need and suitability of supporting and developing a plan to restructure the Venezuelan government. The plan would be designed to adapt the government's juridical and institutional foundations to the modern world we live in. Also, in the final analysis, democracy would not continue to be a copy of foreign models. The result would be a system designed for Venezuelan society based on our idiosyncrasies, our needs and on the need to have all segments of society represented. These segments, which some political analysts usually call "power factors," unquestionably are factors which influence our national life.

3) One of the government's key words at this time is productivity. President Luis Herrera Campins has on different occasions said that 1980 is the year of production and productivity. FEDECAMARAS has interpreted this to mean that production and productivity are a national priority that cannot be postponed. Because if production is inadequate and productivity is at extremely low levels, there is no hope that inflation will ease or that there will be an improvement in the cost of living. The imbalance between supply and demand can only be solved through imports which, of course, adversely affect our balance of payments as was the case in 1977 and 1978.

Therefore, the businessmen's message is an appeal to producers and workers and, of course, the government, for a joint permanent crusade to increase production and productivity. To accomplish this it will be necessary to adopt certain measures within a coherent, serious and long-term policy that will focus on the problems which have hampered increasing and improving production.

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CSO: 3010

VENEZUELA

MAS, MEP, MIR DISCUSS FORMATION OF LEFTIST FRONT

Caracas EL NACIONAL in Spanish 11 Jan 80 p D-2

/Text/ Pompeyo Marquez, Jesus Paz Galarraga and Moises Moleiro, secretaries general of the MAS /Movement for Socialism/, MEP /People's Electoral Movement/ and the MIR /Movement of the Revolutionary Left/, respectively, have agreed in principle to the creation of a broad movement to offset the existing two party system in the country and to provide Venezuelans with a real alternative to power from the left.

But while Paz Galarraga and Moleiro indicated that their respective political parties were willing to discuss the possibilities of organizing a broad progressive front, Senator Marquez explained that the MAS has different views on the organic structure of a leftist front. The MAS secretary general believes that the front should have a broader scope with efforts being made now to attract members from the most diverse sectors of the nation rather than waiting until the presidential elections when there will be a split between the two major parties.

MAS' OPINION

Based on reports that the URD /Democratic Republican Union/ will abandon its commitments to the present government in the middle of the year, there is talk about the possibility of forming a broad political front of the center-left which would become a real alternative to the present government and squelch the rumors of a possible military coup in our country.

"The country," Marquez said, "is demanding policy and leadership in tune with the complicated and serious problems that are compounded daily by misguided governments and administrations."

Pompeyo Marquez announced that the MAS will make public within the next few days a document entitled "1980 Declaration" to commemorate the ninth anniversary of its founding. The document is a study of national problems and it opens for discussion many proposals in preparation for the upcoming party convention. Nevertheless, the MAS secretary general agreed to discuss the idea of a front and the so-called failure of the governments over the past 20 years.

"Luis Herrera and COPEI's lack of governing ability following the disastrous administration of Carlos Andres Perez," the MAS leader pointed out, "is becoming obvious to a great number of people and it has helped to intensify the search for solutions that are different from those offered by the AD and the COPEI over the past 22 years. There are also those who are considering a military alternative and disregarding the historical experience of our nation and the continent which shows that the military form of government has failed and continues to be a failure."

Pompeyo Marquez believes that the worsening living conditions of a vast majority of people and the problems faced by the AD and the COPEI are the result of a failure to fulfill election promises. He emphasized that these parties were elected with the overwhelming support of the people "only to govern and administer the government for small privileged groups." He added that "the most striking examples of frustration for the people are the Perez and Herrera governments."

Question/ Do you believe that conditions are right for creating a real alternative to the present power structure backed by the AD and COPEI?

Answer/ The MAS believes that conditions are being created that are favorable to the establishment of a new correlation of social and political forces which will further institutional changes that will make administrative actions and measures more responsive to the needs of the vast majority of people. Of course this implies the creation of a government that is different from those that have existed since 1958: the "Guanabana," "broad based," single and minority party governments formed by the AD and COPEI over the past 15 years.

Marquez gave assurances that there is a possibility for creating a real third alternative which, in his opinion, would represent the majority. He added that this was the way to change the two-party system which "has been so damaging to the development of democracy." The break with the two-party system must come directly as a result of the organization of a large popular movement composed of the most varied segments of society that have decided to unite and share common interests and goals.

"To accomplish this agreements, understandings, joint action by the groups that comprise what is generically known as the left," Marquez concluded, "are very useful and they should be encouraged and cultivated to avoid unnecessary friction and wasted energy without positive results."

Paz Galarraga Speaks

When questioned on the matter, the MEP secretary general said: "We do not share the view that in light of the AD and COPEI governments failure the only other alternative is a military one. It is necessary to remind everyone about the results that a military solution has had in other Latin American countries where fascist dictatorships have not improved the standard of living and have done away with democratic liberties.

Commenting on what has taken place in Venezuela, Paz said: "It is important to note that the actions of the governments over the past 20 years have represented the actions of a minority rather than a majority. In a country with Venezuela's resources, the people have not benefited because the wealth has been concentrated in a few hands. As a result, it is not the real and authentic democracy which has failed but the formal, false and corrupt one. The one that encompasses oppressive economic power which is a negation of the essence of democracy."

Question/ What does the MEP suggest to face this situation?

Answer/ It is necessary to create and consolidate a front that is different from the AD and the COPEI. It must also be broad enough to incorporate not only the socialist sectors but also groups, institutions and individuals who without embracing socialism favor national liberation and a just distribution of income. This tactical and strategic plan is the clear road to be followed and it is indispensable that we make joint efforts to make it a reality. A prior requirement for winning a different Venezuela, Paz Galarraga added, is the elimination of the two-party polarization. It should be noted that in the AD and the COPEI there are sectors that share the ideas we have just expressed.

Question/ Do you favor an immediate dialog in search of a broad progressive front?

Answer/ The MEP, Paz concluded, favors opening a dialog between political forces and independents who oppose the two-party system.

The Voice of the MIR

Deputy Moises Moleiro, MIR secretary general, said: "Venezuela cannot be forced to depend on the AD or the COPEI or on the dangers cited by Alfredo Tarre Murzi. I believe that there is a force which can become a real alternative for all Venezuelans that are discontent and that force is the left."

Question/ What should the left do to achieve that objective?

Answer/ The rapid deterioration of the government and the factors inhibiting the AD's recovery make it advisable for the left to adopt a broader policy, one that will promote agreement among its members and provide an opening to those who for whatever reason oppose the COPEI and the AD.

Question/ Is it true that the MIR would be committed to the creation of a Marxist-Leninist front?

Answer/ The MIR, Molina said emphatically, is not interested in creating fronts within the left which in one way or another would pit one group against another. The time is right for reaching an understanding, for

coming to an agreement and for developing a sound policy that will neutralize and win over those who have felt betrayed by the actions of recent governments.

Question/ Is a dialog then possible among all the progressive sectors in the country?

Answer/ I feel that a dialog is not only feasible but it is indispensable. In addition we have called for a national protest strike against the official economic policy and we hope to interest AD and COPEI union leaders in this action.

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VENEZUELA

BRIEFS

GUERRILLA MOVEMENT ON COLOMBIAN BORDER--Maracaibo, 10 January--Police along the Colombian border to the north and south of Zulia were placed on alert following the report of the disappearance of student Miguel Jaime Jorge, nephew of Carmona's widow. PTJ /Judicial Technical Police/police chief Oscar Rivero G. confirmed the report shortly after receiving instructions from the national investigations headquarters. The alert was ordered because of the possibility that the youth may be taken across the border into Colombia. Vladimir Chavez Forero has been implicated in the kidnaping. In a similar incident, Venezuelan authorities were unaware that Colombian guerrillas had entered Venezuelan territory after kidnaping a British woman and her son. The guerrillas are asking for \$415,000 in ransom. The DISIP /Directorate of Intelligence and Prevention Services/ chief in the area, Luis Guillen Davila, reported that he had no information on the matter. He announced that there would be a meeting next week between his office and the DAS /Administrative Department of Security/ to discuss coordination of border security matters. Reports from Valledupar, Colombia, indicate that the ELN /Army of National Liberation/kidnaped Mrs Teleri Hughes (43) and her son Owen Jones and are demanding nearly half a million dollars in ransom. /Text/ /Caracas ULTIMAS NOTICIAS in Spanish 11 Jan 80 p D-13/ 8599

CANTV, CORPOMERCADEO CHIEFS--President Luis Herrera Campins named Nerio Neri Mago to head CANTV /National Telephone Company of Venezuela/ and Carlos Enrique Perez to head CORPOMERCADEO. The announcement was released by the Miraflores Press Office. Alberto Silva Guillen, outgoing CORPOMERCADEO president, was named ambassador to Chile. The president also named journalist Oresti DiGiacomo as ambassador to Czechoslovakia and Oswaldo Paez Pumar, director general of the Foreign Relations Ministry. Nerio Neri Mago, appointed to head CANTV, was director for development of the eastern region. /Text/ /Caracas EL UNIVERSAL in Spanish 13 Jan 80 p 1/ 8599

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